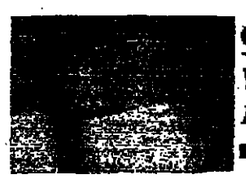
هكذا من الاصل

FINANCIAL TIMES

Italian polls
Why Berlusconi still wins votes
Page 3



German problem
Whither the Bundeswehr?
Europe, Page 18

War on cancer
Treatment by the immune system
Page 16

Pharmaceuticals
Seeking calmer waters
Survey, Pages 9-13

World Business Newspaper — TUESDAY APRIL 25 1995 — D8523A

Lloyd's considers speeding plans to transfer huge debts

Insurer Lloyd's of London is considering speeding up plans to transfer billions of pounds worth of liabilities into a separate company as part of a radical revamp of its recovery strategy. Mr David Rowland, Lloyd's chairman, said the proposal was being studied as part of a re-examination of the insurance market's tactics for ensuring its future financial prosperity. Page 20

Chrysler rejects $22.8bn bid: Chrysler rejected a bid by investor Kirk Kerkorian that values the US vehicle maker at $22.8bn. It said it would go ahead with plans to buy back $1bn of its own stock.

Oklahoma rescuers near more victims: Rescuers said they were about to uncover the bodies of many more victims of the Oklahoma bombing. Up to 150 people, including many children, are still missing from last Wednesday's huge explosion in addition to around 80 known to have died. Gun law repeal drive suffers setback. Page 4

Karadzic named as war crimes suspect:

The Yugoslav War Crimes Tribunal at The Hague said it would investigate Bosnian Serb leader, Radovan Karadzic (left), for suspected war crimes. The tribunal also named Bosnian Serb army commander, General Ratko Mladic, and former Bosnian Serb special police chief, Mico Stanisic, as suspects. The announcement came as international relations with the Serbs reached a new low. Page 3

Microsoft presses antitrust appeal: Microsoft and the US Justice Department appeared to gain ground with their appeal against a lower court judgment throwing out the antitrust settlement the two sides reached last year. Page 4

Farnell eyes US expansion: UK electronic components distribution group, Farnell Electronics, plans to expand in the US after reporting pre-tax profits of £59.2m ($96m) up from £49.1m for the year ended January 29, 1995. Page 28

Rise in greenhouse gases predicted: A surge in energy demand will result in growing emissions of carbon dioxide, one of the main greenhouse gases, the International Energy Agency and the Organisation for Economic Co-operation and Development said. Page 7

Sharp rise for chemicals groups: Earnings at US chemicals groups, Du Pont and Union Carbide, shot up by $317m and $167m respectively. Page 26

Boeing earnings drop by $111m: US aircraft maker, Boeing, reported a fall in net earnings to $181m from $292m in the first quarter due to a worldwide downturn in aircraft orders. Page 21

Kobe Steel in Korean venture: Japan's Kobe Steel and Je Il Steel of Korea formed a Won6.4bn ($8.37m) joint venture to produce welding material for the Korean shipbuilding industry. Page 7

Sri Lankan rebels deny peace block: Sri Lanka's Tamil Tiger rebels fighting for a separate homeland, denied they had closed the door to peace, but demanded the government come up with a fresh initiative to prevent a civil war. Page 6

Abbey National in takeover bid: UK home loans and banking group, Abbey National, sent a shock wave through the building societies sector with the announcement that it was seeking takeover talks with National & Provincial, the ninth largest building society. Page 21; Lex, Page 20

Japanese voters snub parties: Independent candidates won a record number of seats as disgruntled Japanese voters delivered a snub to mainstream political parties in local elections. Page 6

American Brands' income down: US consumer goods group, American Brands, blamed the disposal of its Franklin Life insurance business and its American Tobacco cigarette subsidiary for a fall in first-quarter net income, to $116.6m from $149.2m. Page 25

Hutu camp surrounded: Hundreds of Tutsi soldiers surrounded the last 1,000 Hutus cowering in southern Rwanda's Kibeho refugee camp where thousands were killed at the weekend. The soldiers said they must surrender or be flushed out.

Bus crash in Brazil kills 21: A bus fell off a narrow wooden bridge and plunged into a river about 500 miles north-east of Rio de Janeiro, killing at least 21 people and injuring 26 others, police in Brazil said.

UK government offers Sinn Féin ministerial talks

By John Kampfner in London

The UK government yesterday invited Sinn Féin to ministerial talks within days, in a move which opens a new phase in the search for a peace settlement in Northern Ireland.

The announcement ended weeks of deadlock between the two sides that had threatened to derail the fragile process eight months into the ceasefire.

But, as some Unionists denounced the move as the latest example of British capitulation to terrorists, doubts remained whether Sinn Féin, the IRA's political wing, had fully met the conditions for talks.

The government had originally made clear it would not discuss the decommissioning of paramilitary weapons in conjunction with what republicans call "demilitarisation" – the role of the army in the province.

The prime minister's office said the UK had decided to upgrade the exploratory talks after Sinn Féin "confirmed that it was willing to discuss decommissioning as a separate issue, and in a serious and constructive manner".

The talks could take place as early as tomorrow, though officials said the most likely date was early next week.

The venue is likely to be Stormont, the Ulster assembly building, where Mr Martin McGuinness, Sinn Féin's chief negotiator, has met senior officials of the UK Northern Ireland office several times in recent months.

Mr McGuinness said: "This is a victory for the peace process, a victory for all those people who have a widespread expectation that we will move to all-party peace talks." It was not, he said, a matter of who had yielded the most concessions.

UK officials denied the government had given ground. "It is a matter of clarification and we have received the assurances that we require," one said.

However, the wording of the government statement suggested that ministers had made a political judgment, based as much on trust as on the commitment they had previously demanded.

The statement said the first item on the agenda would have to be decommissioning. It went on: "The government has reiterated that no subject is excluded from the dialogue. It will be glad to explain its policy and approach on any subject.

"Sinn Féin have made clear their wish to raise a number of issues, including those arising from the need for what they term 'demilitarisation'."

The British made a similar "working assumption" last year when assessing whether the IRA ceasefire was permanent.

The Irish government had consistently made clear it believed the differences between UK ministers and Sinn Féin were smaller than they were being portrayed in London.

The "de-coupling" issue was seen in Dublin largely as a question of semantics that could easily be overcome given the political will.

Both British and Dublin officials concede that Mr John Bruton, the Irish prime minister, was influential in persuading Mr John Major to give Sinn Féin the benefit of the doubt.

It emerged last night that Mr Bruton talked to Mr Major by telephone and met Mr Gerry Adams, Sinn Féin president, hours before the invitation was issued.

Mr Bruton had become concerned that Sinn Féin was being given second-tier status in the peace process, a position Mr Adams would find impossible to reconcile with more radical republicans.

Britain's main political parties welcomed the announcement. Reaction among Unionists was more sceptical.

Breakthrough for N Ireland dialogue, Page 8
Editorial Comment, Page 19

Countries split by proposal to calm currency markets

G7 dispute intensifies over falling US dollar

By Robert Chote in Washington

Fierce disagreement about how to deal with the sinking dollar grew among the Group of Seven leading industrial nations yesterday, on the eve of what is likely to be a particularly fractious meeting of their finance ministers and central bank governors in Washington.

Germany, Japan, the European Union and the International Monetary Fund all stepped up their calls on the US to do more to boost its sliding currency, arguing that the Federal Reserve had been too slow to raise interest rates.

France and Japan also argued for greater international co-operation to calm the currency markets. But Germany and the UK warned a concerted support operation for the dollar by central banks would not be successful unless it was backed by the right economic policies.

The Japanese raised the stakes for the meetings by warning that a failure to reach an agreement on currencies would push the enfeebled dollar down even further, worsening the plight of the country's exporters and endangering its fragile economic recovery.

Mr Robert Rubin, the US Treasury secretary, conceded that recent exchange rate movements were "a source of general concern" and that Japan's nascent economic recovery now looked more vulnerable.

Mr Otmar Issing, a leading member of the Bundesbank's policymaking council, said in Frankfurt that the idea that the G7 would meet and put together a unified package to help the dollar was illusory.

"Central banks are not the masters of exchange rates," said Mr Issing. He noted that attempts to influence the dollar with intervention in the past had succeeded only because the mood in the markets was already changing. He said intervention had to be accompanied by monetary and fiscal policies aimed at stability.

"If it is not, the effect evaporates. And in the worst case, the opposite to what was intended happens," he said.

These sentiments were echoed by Mr Kenneth Clarke, the UK chancellor, in a speech to the British-American chamber of commerce in New York. He conceded intervention could make a marginal difference. "But the experience of the past couple of months shows that, on the whole, intervention not backed up by policy action is unlikely to have much effect," Mr Clarke said.

The chancellor added that an even less desirable solution would be to try to regulate the currency markets, by imposing extra costs on people trading in them: "The best way for governments to minimise the volatility of financial markets is not by large-scale intervention or misguided regulation but by following sensible domestic economic policies."

Mr Jacques Santer, the president of the European Commission, criticised Washington for its policy of "benign neglect"

Associated Press

IMF managing director Michel Camdessus in Washington yesterday

Continued on Page 20
'Weaknesses in IMF shown by Mexico', Page 7

Divided French right regroups around Chirac

By John Ridding and Andrew Jack in Paris

The French right yesterday sought to regroup its divided forces to ensure a presidential victory for Mr Jacques Chirac, the Gaullist mayor of Paris, after Sunday's first-round triumph by Mr Lionel Jospin, the Socialist contender.

Mr Chirac telephoned Mr Edouard Balladur, the prime minister, to thank him for his "unqualified support" and to urge unity on the right to avoid a third consecutive Socialist presidency. Mr Balladur, who finished just behind his Gaullist rival in the first round, was forced out of the decisive May 7 run-off vote.

Financial markets, which weakened on Sunday, were calm yesterday. The French franc rose to FFr3.54 to the D-Mark, compared with a low of FFr3.588 to the German currency on Sunday night. Bond and stock prices also strengthened after early falls.

Market analysts said the reaction reflected expectations that Mr Chirac would secure victory on May 7. But some economists remained pessimistic. "Whoever wins will have gained a very low score in the first round, and that increases uncertainty," said Mr Bernard Godement, chief economist at Nomura Research Institute in Paris. He predicted further weakness in the franc and the bond market.

Mr Chirac's conciliatory tone was echoed by his allies. Mr Philippe Séguin, the president of the National Assembly, said it was evident that supporters of Mr Balladur would be ministers if the mayor of Paris made it to the Elysée palace.

With parties of the right winning a combined 60 per cent of the first-round vote, Mr Chirac remains favourite to succeed President François Mitterrand. But the Socialists have been buoyed by their unexpected success, which saw Mr Jospin gain 23.3 per cent of the vote, compared with 20.8 per cent for Mr Chirac. "Hope has changed camp," said Mr Henri Emmanuelli, the party leader.

Uncertainty has been increased by the failure of opinion surveys to predict the result accurately. While some polling organisations defended their methods, Louis Harris said it was suspending any new political polls in France until it had reviewed its techniques in the light of the discrepancy between Sunday night's result and its latest estimates.

The final result will depend on

Continued on Page 20
Vote underlines French divisions, Page 2; Battle for French floating voters, Page 19; Editorial Comment, Page 19; Lex, Page 20; Bonds, Page 30; Currencies, Page 31; World stocks, Page 40

International Paper launches hostile $335m bid for Holvis

By Ian Rodger in Zurich

International Paper, the US forest products group, has launched a SFr385m ($335m) unsolicited bid for Holvis, a Swiss maker of non-woven products and distributor of paper and office supplies.

The SFr435 per share cash offer is believed to be the first unsolicited full bid for a Swiss company by a foreign group. Three years ago, Holvis became the first Swiss quoted company to remove all restrictions on the ownership and voting of its shares.

The offer price is 24 per cent above Friday's SFr350 closing price of Holvis shares. Holvis described it as "unsolicited and unfriendly" and advised shareholders to take no action pending an evaluation by the board within the next few days.

Both sides pointed out that the Holvis board had not rejected the bid. Holvis said it and its advisers, Morgan Stanley, the US investment bank, needed to look at other options.

The bid comes only four days after IP succeeded in raising its stake in Carter Holt Harvey, the New Zealand forest products group, from 24.5 per cent to 50.1 per cent for $1.7bn.

IP said it had obtained an irrevocable option to buy at the bid price 25 per cent of Holvis shares controlled by Mercury Asset Management (MAM) of the UK. It said MAM had approached IP and other potential buyers, having become discouraged by what it regarded as Holvis's lack of progress.

MAM said it believed the offer was "in the best interests of shareholders" and that it would also tender a further 6 per cent of Holvis shares held by other funds that it managed. The offer is conditional on a majority of shares being tendered. Mr Milan Turk, senior vice-president responsible for IP's speciality products division, said he had had discussions with other Holvis shareholders and was confident that "much more" than a majority would be tendered. IP itself and its adviser, Credit Suisse First Boston, held no Holvis shares.

IP two weeks ago reported first-quarter net profit of $246m or $1.95 a share, more than treble the result in the first quarter of 1994.

Holvis, formerly called Holzstoff, abandoned its traditional paper making base in 1990 and made a series of acquisitions in non-wovens. Non-wovens are the disposable fabrics used in nappies, sanitary towels, and medical garments.

Lex, Page 20
A friendly foray over Swiss borders, Page 21

STOCK MARKET INDICES

New York lunchtime		
Dow Jones Ind Av	4,268.01	(-2.08)
NASDAQ Composite	826.25	(+2.81)
Europe and Far East		
CAC40	1,918.51	(-9.86)
DAX	1,976.21	(-0.43)
FT-SE 100	3,209.3	(+8.4)
Nikkei	16,804.05	(-164.19)

US LUNCHTIME RATES

Federal Funds	5 13/32%
3-mth Treas Bills: Yld	5.792%
Long Bond	103 1/32
Yield	7.328%

OTHER RATES

UK: 3-mo interbank	6 13/16%	(6 11/16%)
UK: 10 yr Gilt	101 1/16	(same)
France: 10 yr OAT	98.01	(97.73)
Germany: 10 yr Bund	101.9	(101.97)
Japan: 10 yr JGB	108.773	(108.735)

NORTH SEA OIL (Argus)

Brent 15-day (June)	$18.55	(18.63)

GOLD

New York: Comex		
(Jun)	$383.1	(382.7)
London:		
close	$391.4	(390.5)

DOLLAR

New York: lunchtime		
£	1.596	
DM	1.3805	
FFr	4.8605	
SFr	1.1485	
Y	83.355	
London:		
£	1.6079	(1.6063)
DM	1.3899	(1.3765)
FFr	4.8465	(4.883)
SFr	1.135	(1.138)
Y	83.35	(82.915)

STERLING

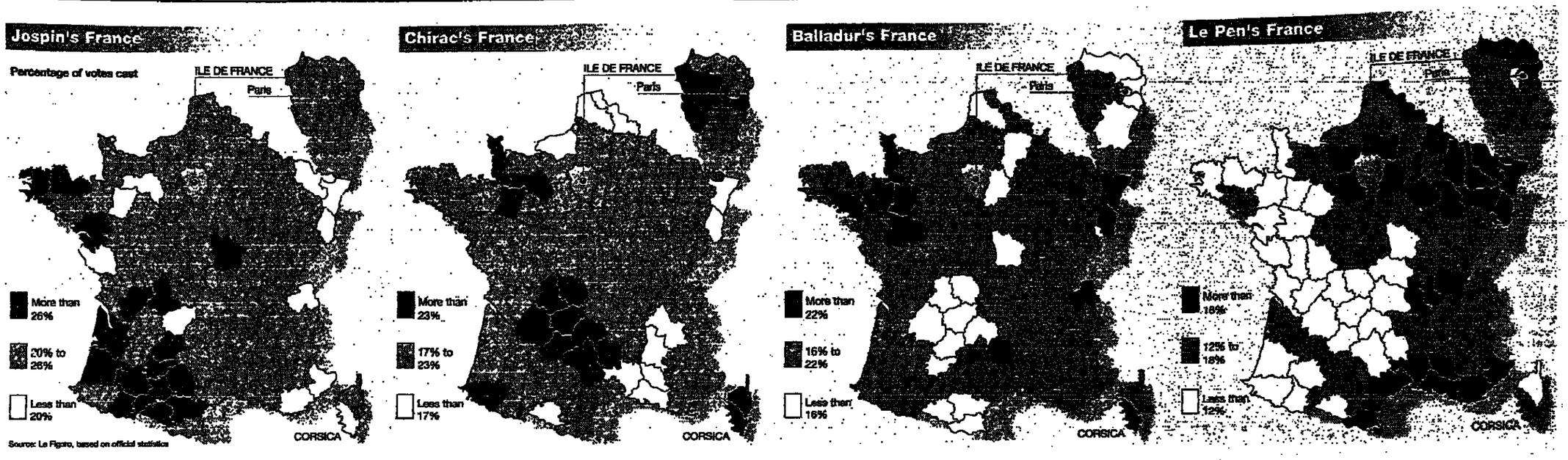
DM	2.2026	(2.2111)
Tokyo close:		Y 82.4

Austria	Sch35	Greece	Dr400	Malta	Lm0.60	Qatar	QR13.00				
Bahrain	Din1.250	Hong Kong	HK$18	Morocco	MDh15	S.Arabia	SR11				
Belgium	BFr70	Hungary	Ft185	Neth	Fl 4.25	Singapore	S$4.30				
Bulgaria	Lv100.00	Iceland	IKr220	Nigeria	Naira60	Slovak Rp	KSL60				
Cyprus	C£1.10	India	Rs75	Norway	NKr13.00	S. Africa	R12.00				
Czech Rp	CZK35	Israel	Shk7.90	Oman	OR1.50	Spain	Pta225				
Denmark	DKr17	Italy	L3000	Pakistan	Rs40	Sweden	SKr17				
Egypt	E£5.00	Japan	Y500	Philippines	Pso50	Switz	SFr3.60				
Estonia	EKr 20	Jordan	JD1.50	Poland	Zl 42,000	Syria	S£50.00				
Finland	FM15	Kuwait	Fils625	Portugal (mrland)	Es230	Tunisia	Din1.500				
France	FFr10.50	Lebanon	US$1.50			Turkey	L40,000				
Germany	DM3.80	Lux	LFr70			UAE	Dh12.00				

CONTENTS

News		Lex	20	Crossword	29	Foreign Exchanges	31	Wall Street	37-40
European News	2,3	**Features**		**Companies**		Gold Markets	29		
International News	4	Leader Page	19	UK	27,28	Int. Bond Service	30	Bourses	37,40
Asia-Pacific News	6	Letters	18	Intl. Cap Mkts	30	Managed Funds	34,35		
American News	4	Observer	19	Intl. Companies	22,24-26	Money Markets	31	**Survey**	
World Trade News	7	Technology	16	**Markets**		Recent Issues	40		
UK News	8	FT Law Reports	14	Commodities	29	Share Information	32,33	Pharmaceuticals	9-13
People	14	Arts	17	FT Actuaries	36	London SE	38		
Weather	20	Arts Guide	17	FT World Actuaries	40				

© THE FINANCIAL TIMES LIMITED 1995 No 32,658 Week No 17 — LONDON · PARIS · FRANKFURT · STOCKHOLM · NEW YORK · TOKYO



Source: Le Figaro, based on official statistics

First round of election exposes social and geographic fault lines in society

Vote underlines French divisions

By John Ridding in Paris

FRENCH ELECTIONS

A divided France has been one of the central themes of the battle for the Elysée Palace. Mr Jacques Chirac, the Gaullist mayor of Paris, has placed his concerns about the fault lines in French society at the centre of his platform. Mr Lionel Jospin, the Socialist candidate and surprise winner of Sunday's first round of voting, has stressed the gap between the haves and have nots.

But the traditional socio-economic divisions which have been at the centre of the campaign debate are only part of the story. Geographically, too, the country is split several ways between the candidates who have been competing to succeed President François Mitterrand.

The most striking illustration is the regional concentration of support for Mr Jean-Marie Le Pen, leader of the extreme right National Front. The populist demagogue scored his highest ever election result, garnering 15 per cent of the vote.

Much of the support was concentrated in border areas and in economically depressed regions. Marseilles and its surrounding region is one stronghold, reflecting local concerns about the already large immigrant community and the prospect of a further increase. "The civil war in Algeria is just across the Mediterranean and threatens a surge in refugees," says Mr Pascal Perrineau, director of the institute for French political studies at the Science Po research institute.

Mr Le Pen's strong anti-immigrant stance, which includes a threat to repatriate 3m within the next seven years, also provides a stronghold in the suburbs of Paris, home to a large immigrant community. The threat of immigration following the removal of frontier controls between EU members states which signed the Schengen accord helps explain Mr Le Pen's strong showing along France's eastern border with "Schengenland".

In the north of France, as in the suburbs of the capital, Mr Le Pen also draws strong backing from the ranks of France's 3.2m unemployed. A breakdown of official voting results published yesterday in the daily Aujourd'hui showed that Mr Le Pen gained more support from the unemployed than any other candidate, drawing 31 per cent of their vote.

If Mr Le Pen's strongholds are the most marked, the two second round candidates also have their electoral powerbases. Mr Chirac, the mayor of Paris, cleaned up in the capital, winning 32 per cent of the vote in the 20 departments which comprise the city. Elsewhere, and in common with all the other candidates, the Gaullist mayor performed strongly in his home region, winning more than 23 per cent in the south-central region which surrounds La Corrèze, where he was born. Further afield, Mr Chirac dominated returns in Corsica and France's overseas territories ranging from Réunion to Tahiti.

Mr Jospin recorded good results in the south-west, in the Midi-Pyrenees and Aquitaine, capitalising on a tradition of left-wing support which has remained solid since the second world war when the region was a stronghold of the resistance movement. In the Burgundy department of La Nièvre the Socialist candidate was buoyed by the Mitterrand factor, reflecting the outgoing president's establishment of a powerbase in the area.

For the next fortnight the two frontrunners will step up their campaigns in marginal areas. Mr Chirac, who has already held 35 large regional rallies as part of his marathon campaign, is likely to draw support from regions which backed Mr Edouard Balladur, the Gaullist prime minister. Such areas include a swathe of departments in north-western France and in the east of the country. A key factor will be to what extent Mr Chirac shifts ground to capture the National Front vote and how the vote in depressed urban areas, captured so effectively by Mr Le Pen, redistributes between the two finalists.

Yesterday, Mr Chirac's camp started its pitch for this vote. "The National Front electorate has legitimate concerns," said Mr Alain Juppé, France's foreign minister, citing conditions in many towns and suburbs.

As for Mr Jospin, he is likely to garner support from communist strongholds in poor agricultural regions, such as in central France and in the Pyrenees mountains, and from depressed industrial areas in the Pas de Calais and elsewhere in northern France.

A traditional left-right divide in voting patterns in the second round would see Mr Chirac dominant in much of the east, and his Socialist rival ahead in large areas of the west and south. Between now and then, however, the two finalists will be mobilising their forces to shift the geographical balance in their favour.

RISING STARS AND WANING FORTUNES ON THE RIGHT WING OF POLITICS

While the French public will not decide the victor of the presidential contest until May 7, the first round of voting on Sunday has already produced winners and losers, writes John Ridding in Paris.

In particular, the Gaullist rivalry between Mr Jacques Chirac, the mayor of Paris, and his defeated opponent Mr Edouard Balladur may make or break careers for some of the most prominent politicians on the French right and centre-right.

However, just as Chirac supporters must still secure eventual victory for their candidate and their place around the seat of power, all is not lost for Balladur backers. The first round victory of Mr Lionel Jospin, the Socialist candidate, will increase pressure for a rallying of the forces of the right and clemency for the losing camp.

Yesterday, Mr Chirac telephoned Mr Balladur to express his desire for the biggest possible grouping of the right to avoid a third consecutive Socialist presidency. Several of Mr Balladur's closest allies threw their weight behind the mayor of Paris, seeking to ensure a conservative successor to President François Mitterrand.

Mr Dominique Perben, the minister for France's overseas territories and departments, gave his support to Mr Chirac, as did Mr Dominique Baudis, mayor of Toulouse.

Mr Nicolas Sarkozy, the budget minister, urged unity on the right. However, in a significant indication of the leverage gained by Mr Balladur's narrow defeat he added: "I am not among those who consider that the second round has been decided."

In an indirect response, Mr Philippe Séguin, a powerful ally of the mayor of Paris, said it was evident that there would be Balladurian ministers under a Chirac presidency. Mr Séguin is someone to watch in the manoeuvrings which will now ensue. He forms part of a bigger list, whose leading lights we profile below.

ALAIN JUPPE, the foreign minister, is a serious contender to make the trip from the Quai d'Orsay to the prime minister's Matignon office, should Mr Chirac make it to the Elysée palace. The 49-year-old Mr Juppé has won a reputation as one of the most able members of the Balladur government, playing a key role in the French success in the Gatt negotiations of 1993 and in the country's intervention in Rwanda last year.

The pro-European face of Mr Chirac's entourage, he is committed to anti-inflationary economic policies, a strong franc and a reduction in the public sector deficits. Such views were of value last week when Mr Chirac struggled to defuse a dispute over monetary policy and his criticism of the governor of the central bank. A graduate of the ENA postgraduate school which serves as a training ground for the elite of the civil service, Mr Juppé is the acting president of the Gaullist RPR party and is poised to become mayor of Bordeaux in elections in June.

PHILIPPE SEGUIN, the chain-smoking president of the National Assembly, is the rough to go with Mr Juppé's smooth.

A grassroots Gaullist and one of the architects of Mr Chirac's populist strategy, the 52-year-old Mr Séguin is another potential prime ministerial candidate should the mayor of Paris succeed President François Mitterrand.

One of the champions of the anti-Maastricht movement in France, Mr Séguin has toned down his Euroscepticism since the 1992 referendum.

However, doubts remain about his commitment to a strong franc and European monetary union, while the National Assembly chief could not resist a swipe at the Bank of France in last week's exchanges.

Partly because of his style and the question marks about monetary and European policy, Mr Séguin may prove a better bet as the next leader of the Gaullist party.

ALAIN MADELIN, the third of Mr Chirac's campaign musketeers and minister for small business and enterprise, has been a maverick on many issues. A champion of supply-side economics and deregulation, he has previously advocated a floating franc and breaking its link with the D-Mark. This, however, was in 1993 and he now argues that improved convergence between the French and German economies means the currency link is tenable.

One of the freer spirits of the French political scene, the 49-year-old Mr Madelin has acted as Mr Chirac's economic adviser during the campaign, helping to win votes from industry and the small business sector. A strong advocate of pensions reform, he has introduced tax incentives to encourage retirement schemes by artisans.

The earliest and the most prominent minister from the UDF to back Mr Chirac, he may be rewarded with a powerful cabinet post.

CHARLES PASQUA, 58, is the bluff, tough bear-like and powerful minister for the interior and for regional development whose political and personal roots are in Corsica. A populist and long-standing advocate of free enterprise, he stands on the far right of the RPR party, reviled by those on the left for policies including his tightening of French nationality laws.

While associating himself clearly with Mr Balladur's presidential bid, he has taken something of a back seat in the campaign, not least after allegations that he was involved in illegal equipment sales to Iran in March.

Mr Pasqua has made favourable comments about Mr Chirac's candidature in recent days, an indication that he has an eye on the future, and his wide-ranging connections within France, as well as much of the Middle East and Francophone Africa and beyond, may well ensure his survival in some significant form.

NICOLAS SARKOZY de NAGY-BOCSA, a fast-rising lawyer turned RPR activist, may well have dented his political prospects by switching allegiance from his long-time sponsor Mr Chirac to become Mr Balladur's right-hand man in the race.

Dubbed by Mr Alain Juppé as "an economist in short pants", the diminutive Mr Sarkozy, 40, expanded his portfolio rapidly during Mr Balladur's premiership to become budget minister, the main government spokesman and, late last year, communications minister.

In the short-term, some reports have suggested that Mr Sarkozy will re-garb himself in his advocate's gown, but he is unlikely to be satisfied with life in the political wilderness in the low-profile setting of the courts for long. He has already this week hinted that the victory for Mr Chirac is far from assured, suggesting that he intends to try to persuade the rival camp of their need for his support.

FRANÇOIS LEOTARD, the 53-year-old minister of defence, has probably jeopardised his chances of political promotion from Mr Chirac by allying himself so closely with Mr Balladur in the pre-election campaign. After working as a civil servant at the ministry of foreign affairs he become minister of culture and communication in 1986. He then took over the defence portfolio in 1993, maintaining France's tough independent military stance.

Recently he has devoted himself to dominating the Republican party, the main body within the UDF, and may well prove to be its chosen presidential candidate next time round. In the meantime, he might find consolation from his 1989 book "During the crisis the show goes on", as well as one of his more exotic hobbies: that of parachuting – which is also the French word for moving between senior positions in often entirely unrelated organisations.

Opinion polls under attack from all sides

By Andrew Jack in Paris

Long after the French have forgotten the precise percentages won by each of the presidential candidates in the first round of voting last Sunday, they will remember one thing: the pollsters got it wrong.

So widespread was the belief that Mr Jacques Chirac, the Gaullist mayor of Paris, would win that the only question was whether Mr Jospin or Mr Edouard Balladur, the Gaullist prime minister, would be his competitor in the second round on May 7.

The embarrassment is acute in France because opinion surveys have become something of a national obsession. A law introduced in 1977 has outlawed publication of political polls for a week before voting, but up to the middle of April barely a day had gone by for months without some prediction of the result.

Consequently, the disillusion was equally great. "I will never again give money to the pollsters," said Mr André Rossinot, civil service minister and a Balladur supporter, on Sunday night. "The sole victory of which I'm sure is of democracy against opinion polls, television and marketing professionals," said Mr Alain Madelin, minister for small business and a leading follower of Mr Chirac.

An even stronger critique as the results came in was from Mr Nicholas Sarkozy, budget minister and spokesman for Mr Balladur, who accused the pollsters of being partisan. This view was hotly denied by the polling institutes but widely voiced among supporters from all camps.

The institutes split yesterday between those who remained defiant and those who saw the need to reform their approach. Some argued that there was nothing wrong with their techniques but they were simply victims of misrepresentation. They stressed that polls were simply snapshots of opinion at the time they were taken and could not necessarily be used to project a final result.

Equally, they said that a high proportion of voters remained undecided – up to a third in many of the recently published polls – and they might have made their minds up in the last week when polls were not allowed. Some estimates on Sunday suggested 12 per cent of voters had only made up their minds once in the voting booth. No surprise then that these votes could not be predicted in advance.

In addition, while the small print was often not printed alongside the polls, most contained error margins of 3 or 4 percentage points, which explained most of the difference.

Finally, many of the projected results were correct. Only Mr Jospin's and Mr Chirac's support was substantially wrong. The minority candidates scored in line with the estimates and several unpublished polls in the final days had suggested Mr Balladur was clearly in third position.

French Presidential elections
First Round
RESULTS

	Votes	%
Lionel Jospin Socialist party	7.10m	23.3
Jacques Chirac RPR (Gaullist)	6.35m	20.8
Edouard Balladur RPR (Gaullist)	5.66m	18.6
Jean-Marie Le Pen National Front	4.57m	15.0
Robert Hue Communist party	2.63m	8.6
Arlette Laguiller Workers' Struggle party	1.92m	6.3
Philippe de Villiers Movement for France	1.44m	4.7
Dominique Voynet Green party	1.01m	3.3
J. Cheminade Unaffiliated	0.09m	0.3

Source: Ipsos, French Interior Ministry

Yet Mr Stéphane Vacher, head of research for Louis Harris, said his organisation had started to scrutinise its techniques and would publish no more political polls until it had developed a new model after the presidential election. "There is a problem. The electorate is changing and we have to adjust our methods," he said.

He argued that two different factors were at stake. The Jospin vote was underestimated because pollsters in the past had traditionally found that more people claimed to vote socialist than in reality did so. The adjustments made to these raw figures – based on historical trends – therefore needed to be reduced.

On the other hand, the Chirac vote was overestimated because centrist supporters had wavered between him and Mr Balladur – both from the same party – while more right-wing supporters switched at the last minute to Mr Jean-Marie Le Pen of the National Front because they were disillusioned with Mr Chirac's recent more left-wing policies.

He also pointed a finger at the media, which have become increasingly dependent on polls for analysis and news. "They have put us in the front line in spite of our wishes," he said. Certainly, even as the criticism raged, polls predicting the outcome of the Jospin-Chirac second round were being widely reported yesterday.

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone ++49 69 156 850, Fax ++49 69 596 4481, Telex 416193. Represented in Frankfurt by J. Walter Brand, Wilhelm J. Brüssel, Colin A. Kennard as Geschäftsführer and in London by David C.M. Bell, Chairman, and Alan C. Miller, Deputy Chairman. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and F.T. (Germany Advertising) Ltd, London. Shareholder of the above mentioned two companies is: The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.
GERMANY:
Responsible for Advertising: Colin A. Kennard. Printer: DVM Druck-Vertrieb und Marketing GmbH, Admiral-Rosendahl-Strasse 3a, 63263 Neu-Isenburg (owned by Hürriyet International). ISSN 0174-7363.
Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.
FRANCE:
Publishing Director: D. Good, 168 Rue de Rivoli, F-75044 Paris Cedex 01. Telephone (01) 4297-0621. Fax (01) 4297-0629. Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100 Roubaix Cedex 1. Editor: Richard Lambert. ISSN 1148-2753. Commission Paritaire No 67808D.
SWEDEN:
Responsible Publisher: Hugh Carnegy 468 618 6088. Printer: AB Kvällstidningen Expressen, PO Box 6007, S-550 06 Jönköping.

Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.
F

Ruhrgas accused of trying to keep out competition

By Judy Dempsey in Berlin

Ruhrgas, Germany's biggest gas importer and distributor, was yesterday accused by a rival of using anti-competitive tactics to maintain its dominance of the domestic market.

Wintershall, the gas subsidiary of chemicals group BASF, said the German gas giant was seeking to block its attempt to buy 1bn cubic metres of gas a year from Saga Petroleum Deutschland, a Norwegian gas producer. The deal would give Saga an important foothold in the German gas market.

According to energy experts, Ruhrgas, which controls more than 80 per cent of the German market, opposes the Saga-Wintershall deal because it could lead to lower prices in Germany. But an official at Wintershall, which controls only about 6 per cent of the market, said: "We would give the consumer choice. It would mean competition which Ruhrgas is afraid of."

However, Saga must first win approval for the deal from the Norwegian Gas Negotiating Committee (GFU) – in effect a cartel regulating Norway's gas sector. Apart from Saga, the GFU also consists of Statoil – which has long-term large delivery contracts with Ruhrgas – and Norsk Hydro, one of Norway's largest producers.

The GFU will meet tomorrow to decide whether to give Saga the go-ahead. But officials at Wintershall said Ruhrgas had lobbied the committee to block approval. "Ruhrgas is doing everything in its power to prevent the gas deal from going ahead," a Wintershall official said. "It wants to hold on to its market share and hinder any competition in the German gas industry."

Ruhrgas officials have denied they have put pressure on the GFU. "How can we influence the decision? The Norwegians can make up their own minds, independent of what we think," a Ruhrgas spokesman said.

As a big customer of Statoil, Ruhrgas is, however, in a strong position to influence the outcome of tomorrow's meeting. If the deal went ahead it would allow Saga a first step in the German gas market. It would also allow Wintershall the opportunity to diversify its gas imports, which currently depend on Gazprom, the Russian state-owned gas company.

Nearly 75 per cent of west Germany's gas is imported, of which 15 per cent is supplied by Norway; east Germany imports 62 per cent of its gas from Russia, with the remainder produced domestically.

A decision by the GFU in favour of Saga would boost the company's attempts to introduce more competition in a country whose gas sector is rigidly structured, making it virtually impossible for companies like Wintershall to enter.

Wintershall, which was founded in the 1880s by BASF, a large consumer of energy, has invested more than DM3bn (£1.36bn) in the past five years in building separate pipelines and storage facilities to strengthen its market position.

هكذا من الأصل

Neither political bloc able to win Italy

The two broad alliances shared votes in regional elections, writes **Robert Graham**

The two broad alliances now dominating Italian politics emerged from regional and local elections on Sunday with an almost equal share of the vote.

The rightwing coalition, headed by Mr Silvio Berlusconi, the former prime minister, was slightly ahead with just less than 43 per cent. This compared with more than 41 per cent for the centre-left alliance, controlled by the former communist Party of the Democratic Left (PDS).

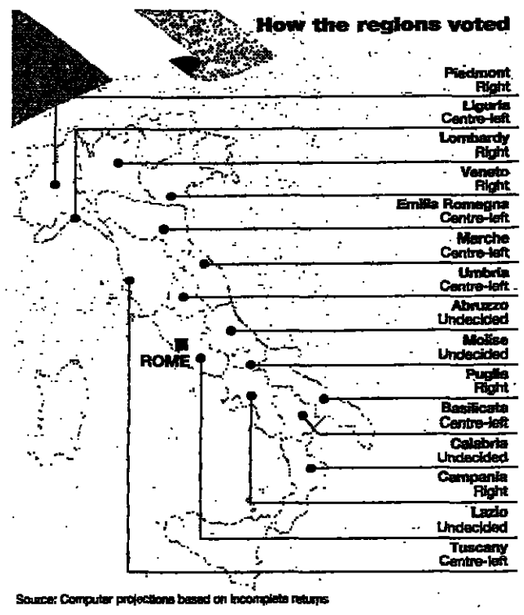
More than 90 per cent of Italy's 47m electorate were involved in the poll and it was treated by all the main parties as a trial run for a general election which now looks most likely to be held in the autumn. If the results were projected into a general election on the basis of the present alliances, then the country would be roughly divided between the centre-left and the right – with neither enjoying a clear majority in parliament.

The balance would be held by two maverick political groupings: the populist Northern League of Mr Umberto Bossi, and Reconstituted Communism (RC), formed from the hard left of the old Italian Communist party. The League managed to retain 7 per cent of the national vote and more than 17 per cent in its northern heartland; while RC won close to 8 per cent of the national vote. Thus together they account for about 15 per cent; the overt support of either one of these would probably be decisive in forming a government if the other stayed on the sidelines.

Both these groups helped force Mr Berlusconi from office in a no-confidence vote last December. Since then they have partly or fully backed the administration of Prime Minister Lamberto Dini in parliament. For instance when Mr Dini pushed through his minibudget last month, 16 of RC's 39 deputies broke party discipline to endorse the measures, allowing them to pass.

These two parties will now be under enormous pressure to co-operate fully with the centre-left alliance to deny Mr Berlusconi's wish of a general election in June. This means allowing Mr Dini to press ahead with the remainder of his limited mandate – aiming for a general election in October. The top priority is to push through reform of Italy's costly state pensions system, which may take RC deputies some convincing to support as it will mean cuts in benefits.

Moreover, the League has said it would not be part of an alliance with the RC. The same stance has been taken by the small but influential left wing of the Popular Party (PPI) which is the most centrist element of the centre-left alliance.



Source: Computer projections based on incomplete returns

This said, these objections were quietly ignored on Sunday as the parties fell behind a single candidate in at least two regions.

In contrast, the rightwing coalition – consisting of Mr Berlusconi's Forza Italia, the rightist National Alliance of Mr Gianfranco Fini and the small Christian Democratic Centre (CCD) – looks far more compact.

Mr Berlusconi has also had the satisfaction of seeing his Forza Italia movement retain its distance in terms of votes from Mr Fini's National Alliance. If National Alliance had increased its share of the vote to 20 per cent, rivalling the 23 per cent of Forza Italia, this would have made Mr Fini a much more immediate challenger for the supremacy of the coalition. Instead, his party hovers around 16 per cent and he remains the junior partner.

But any satisfaction Mr Berlusconi might have had in his coalition gaining the most votes was more than offset by the result being considerably less than he both wanted and predicted. He had hoped these elections would prove a form of plebiscite, endorsing a quick return to the prime minister's office from which he was forced to resign after the no-confidence vote.

He had also expected a far bigger flux of votes accompanying the defection to his ranks of Mr Rocco Buttiglione, the leader of the PPI. Instead the core of the old Christian Democrat vote appeared to have stayed on the centre-left with the rest of the PPI.

This was one element helping the centre-left alliance to do better than expected. How much the increasingly strident tones of Mr Berlusconi himself played in diminishing his attraction is still hard to tell. However, the PDS, headed by Mr Massimo D'Alema, has for the first time received the most support, with 25 per cent of the vote.

The formidable nationwide organisational structure of the PDS has also ensured that the traditional red belt regions (Emilia Romagna, Tuscany and Umbria) have been retained while capturing a total of possibly nine of the 15 regions.

Mr D'Alema had forecast that the centre-left would win seven, whereas Mr Berlusconi had claimed his coalition could capture 10. The outcome was substantially different from that forecast by exit polls on Sunday night, which gave Mr Berlusconi's coalition a clear lead with the prospect of winning 10 regions.

Yesterday the left was further reinforced as it became clear it had done well in the local council elections affecting more than 5,000 towns.

Lex, Page 20
Editorial comment, Page 19

Deutsche Telekom attacks market reform plan

By Michael Lindemann in Bonn

Deutsche Telekom, the state-owned German telecoms operator, yesterday attacked plans for the liberalisation of the domestic market after 1998, saying it would be subject to too much regulation while the most profitable business would be poached by its competitors.

In its first reaction to the deregulation plans unveiled last month by Mr Wolfgang Bötsch, minister for post and telecommunications, Deutsche Telekom said it would be left with unprofitable activities such as a nationwide telephone service, while smaller rivals, which would not be subject to such stringent regulation because of their size, would be free to target the lucrative corporate sector.

"Nothing will stop companies competing with Deutsche Telekom from becoming free riders," says a 47-page Deutsche Telekom document leaked in German newspapers.

While Mr Bötsch's plans to allow almost unlimited access to the market after 1998 have won him praise from the market, he is set for a showdown with Mr Theo Waigel, the finance minister, who has warned him not to disadvantage Deutsche Telekom and jeopardise its DM15bn ($10.9bn) listing next year.

In a first counterattack to Deutsche Telekom's criticism, Mr Bötsch told Der Spiegel magazine that he had been told by sources within the company that it welcomed the opening of the market to as many competitors as possible because it was easier to deal with many small rivals than with a handful of larger ones.

Meanwhile, sources within Deutsche Telekom suggest that the company's criticism of the deregulation proposals could harm its chances of sealing its alliance with Sprint, the third-largest US long-distance carrier. US authorities have threatened to block the alliance until they receive assurances that the German telecommunications market would be extensively liberalised. Some of the US concerns have since been addressed under Mr Bötsch's proposals.

Deutsche Telekom is worried about its prospects post-1998 when it will be subject to stricter regulation because of its "market dominating" position in Germany.

In an effort to water down the proposal on "market dominance", the company has argued that this principle should also be applied to niche sectors such as mobile communications, where some competitors have strong positions.

Deutsche Telekom has also demanded that a fund be created into which competitors would have to make payments to guarantee the provision of the so-called "universal telephone service", a proposal in line with suggestions made by the European Commission.


Wolfgang Bötsch: plans have won praise from the market

EUROPEAN NEWS DIGEST

War crimes panel names Karadzic

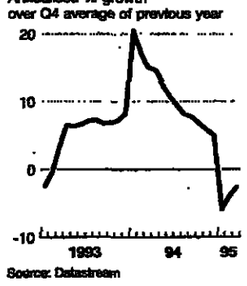
The Yugoslav War Crimes Tribunal at The Hague said yesterday it would investigate Bosnian Serb leader, Mr Radovan Karadzic for suspected war crimes. The tribunal's chief prosecutor, Mr Richard Goldstone, also named Bosnian Serb army commander, General Ratko Mladic, and former Bosnian Serb special police chief, Mr Mico Stanisic, as suspects. UN officials acknowledged privately that the timing of the announcement might complicate negotiations to extend the much violated truce in Bosnia, which expires at the end of the week. It came after a weekend when relations with the Bosnian Serbs reached a new low, with the Serbs threatening to stop mediators visiting Sarajevo. Meanwhile, Germany yesterday extradited the only suspected war criminal in custody, Mr Dusan Tadic, to Holland. Mr Tadic, a Serb, is accused of killing, raping and torturing Croat and Moslem prisoners in 1992. *Paul Adams, Belgrade*

Dutch bank urges debt curbs

The Dutch central bank yesterday called on the government to step up its efforts to cut the country's public debt and prepare the Netherlands for European monetary union by the end of the decade. At the launch of the bank's 1994 annual report, Mr Wim Duisenberg, bank president, said that "in terms of of public debt, we are not well placed". The Netherlands' public debt was still likely to represent slightly less than 80 per cent of gross domestic product in 1996, the first year in which countries' eligibility for Emu will be assessed. This would be well above the Emu norm contained in the Maastricht Treaty. Mr Duisenberg said recent turmoil on currency markets underlined the need for greater vigour in pursuing economic convergence in Europe. *Ronald van de Krol, Amsterdam*

ECONOMIC WATCH

German M3 falls below target



Germany's M3 measure of money supply growth again fell below the Bundesbank's target range during March, shrinking by an annualised 2.6 per cent relative to the average rate in the last quarter of 1994. However, economists noted, the month-on-month rate rose for the first time since last September, supporting the central bank's claim that M3 was tending to return to "normal" and expand within the annualised target range of 4-6 per cent. Main influences on the March data included a renewed decline in the rate of lending to the private sector and a sustained shift of liquidity into long-term deposits outside the scope of M3. Compared with the final quarter of 1993 – which some economists consider a more reliable gauge of the underlying trend – M3 grew at an annualised 3.6 per cent. *Christopher Parkes, Frankfurt.*

■ Danish consumer prices in March were 0.3 per cent up from February 1995 and 2.5 per cent higher than in March 1994.

■ Switzerland recorded a trade deficit of SFr449.1m (£245.7m) in March after a revised SFr213.9m in February.

Gun law repeal drive suffers setback

By George Graham in Washington

The National Rifle Association and other groups opposing controls on gun ownership have been quick to condemn last week's bombing in Oklahoma City and to urge the death penalty for those found guilty of the attack.

But as the investigation centred on extremist opponents of gun control, more mainstream gun lobbyists, too, may have suffered a setback in their efforts to roll back restrictions on gun ownership.

Mr Wayne Lapierre, the NRA's executive vice-president, said his organisation had "nothing but contempt for terrorists or hate groups that attempt to disguise themselves as patriots".

But gun control advocates said the focus on paramilitary extremists as a result of the Oklahoma bombing should mobilise their supporters and strengthen their chances of blocking the NRA's efforts to repeal a ban on 19 types of assault weapon which was passed last year when Congress was still under Democratic control.

"The main rationale of these groups is that they want to have as many different kinds of guns as possible. I hope there will be a different tone in the Congress because of this incident," said Congressman Charles Schumer, the New York Democrat who is one of the principal supporters of gun control in Congress.

Gun rights advocates quickly pointed out that the attack was carried out not with a gun but with explosives.

"With all due respect, it wasn't a gun that was used here. To bring in gun control, it's an important issue, but it's extraneous to this particular discussion," said Senator Hank Brown, a Colorado Republican.

Republican leaders face a difficult tactical decision: how hard to push for the repeal of gun control measures which retain broad public support but which are fiercely opposed by some of their most committed voters. Speaker Newt Gingrich, the Republican leader in the House of Representatives, persuaded the NRA, which counts 3.5m members, to delay its drive for repeal of the assault weapons ban until he had completed his 100-day campaign to pass the bills contained in his party's "Contract with America" manifesto.

But both Mr Gingrich and Senator Robert Dole, the Republican leader in the Senate, promised the NRA that they would push for repeal this summer.

Before the Oklahoma bomb, there was little doubt that a majority in both chambers would vote for repeal, though probably not the two thirds majority necessary to override an expected veto from President Bill Clinton.

The Brady law, which requires gun buyers to wait for five days while background checks are conducted before they may take possession of a handgun, appears to be in less peril. Since the law took effect a year ago, roughly 40,000 handgun purchases have been blocked because of it, most because the buyer had a criminal record.

Judge gives heart to Microsoft

By George Graham in Washington

Microsoft and the US Justice Department appeared to gain ground yesterday with their appeal against a lower court judgment throwing out the anti-trust settlement the two sides reached last year.

Judge Harry Edwards, one of three judges hearing the appeal yesterday, said case law made it "absolutely clear" that Judge Stanley Sporkin was overstepping his authority when he threw out the anti-trust settlement.

The settlement has been widely criticised by Microsoft's competitors as doing little or nothing to break the industry stranglehold created by the dominance of Microsoft's DOS and Windows computer operating system software.

Judge Sporkin agreed when he rejected the proposed Microsoft consent decree in February. He argued it would fail to "effectively pry open to competition a market that has been closed by defendant's illegal restraints" because Justice had only attacked a narrow segment of Microsoft's monopoly position.

But the Justice Department complained that Judge Sporkin went beyond his judicial role in questioning unrelated areas of Microsoft's business activities that were not the object of the consent decree.

A Justice Department lawyer yesterday called Judge Sporkin's position "totally misguided," and said the settlement reached with Microsoft represented a "reasonable end" to the department's lengthy investigation of the software giant. Other branches of the computer industry, however, criticised the settlement at yesterday's appeals court hearing in Washington.

Mr Ed Black, president of the Computer and Communications Industry Association, a trade group which argued yesterday as a friend of court, said the settlement "clearly fails to provide remedies necessary for healthy competition."

"Under the proposed settlement, Microsoft could still create incompatibilities with the operating system it controls, thus effectively barring other firms entry into competition with Microsoft's products," Mr Black said.

Microsoft's shares fell last week amid concerns that the Justice Department might impose strict conditions on its proposed acquisition of Intuit, a maker of personal finance software.

Competitors have been worried that Microsoft might integrate Intuit's Quicken software into its planned on-line network or into the updated Windows 95 operating system it intends to release later this year.

Worried European banks to lobby US

By Alison Smith

A delegation of European bankers is to fly to the US early next month to lobby politicians and central bankers against elements of proposed reforms to the 1933 Glass-Steagall Act, that separates commercial banking from investment banking.

While supporting the principle of the change, non-US bankers fear the most likely version of the reform will leave them at a disadvantage to US banks. They have already made known their concerns to legislators and the Federal Reserve.

Their main concern is the financial services competitiveness bill introduced by Congressman Jim Leach, chairman of the House banking committee.

Mr Robert Rubin, US Treasury secretary, has suggested that Glass-Steagall be reformed to allow banks to deal in securities through direct subsidiaries, rather than through a walled-off subsidiary of a common holding company, whereas Mr Leach's reform plan insists on preserving the holding company structure. His bill proposes that one of the conditions for a bank to qualify as an "investment bank holding company" is that it should not take deposits protected by deposit insurance arrangements.

This would mean that a banking group which acted solely as an investment bank in the US but took deposits in its home country would be in a different position from US investment banks. It would have to turn all its banking operations in the US into subsidiaries, causing extra expense and fragmenting its capital.

Sir Nicolas Goodison, president of the British Bankers' Association and chairman of the TSB group, will be one of the three-strong UK element to the European Banking Federation delegation.

He has already written to Mr Alan Greenspan, head of the Federal Reserve, on behalf of the BBA and has also raised the issue with the Bank of England.

Barclays and National Westminster, which have significant US operations, are among the UK banks most concerned about the possible legislative change.

Underlying the arguments of European bankers is the belief US and non-US banks should be treated equally when carrying out the same business.

Brazil curbs lending

By Angus Foster in Brasília

Brazil yesterday tried to clamp down on bank lending in an effort to cool the economy, which is showing signs of overheating in several sectors and adding to worries about inflation.

The central bank increased the amount of reserves banks have to keep on deposit, either in government securities or cash, by 3 percentage points to 30 per cent.

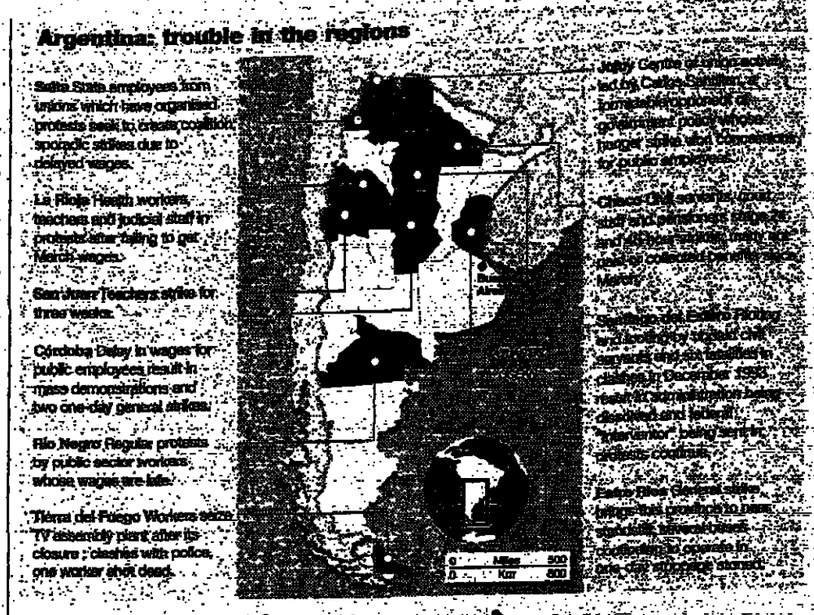
The measure will reduce banks' capacity to lend and should lead to an increase in the cost of credit.

Brazil's economy has grown by about 10 per cent since last July's launch of the Real currency. In the first quarter of this year, annualised GDP growth reached 9 per cent, which government economists describe as "unsustainable". Some industries, such as brewers and household appliance manufacturers, are operating almost at full capacity.

The government has been trying to cool the economy since late last year. But it has been unable to damp down demand, despite real interest rates of nearly 50 per cent, because of falling inflation and rising real wages.

High interest rates are also raising concern about the government's budget, originally expected to be roughly in balance this year. The government has about $65bn (£40.1bn) of domestic debt, nearly all of which has short-term maturities and is expensive to finance. The increase in interest rates, especially following a currency devaluation last month, is in danger of pushing the budget into deficit.

Concern about consumption has heightened because monthly inflation, below 2 per cent until March, is showing signs of increasing. It could go through the psychologically important barrier of 3 per cent a month by June, according to some economists.



Unrest in provinces may hit Menem's re-election

Violent images may cost votes, writes David Pilling

Television images of police repression are, at the best of times, inconvenient for democratic governments. When they are broadcast nationwide only a month before presidential elections and depict events in which a member of the public was shot dead, they can be positively disastrous.

Violent clashes earlier this month in Ushuaia, Tierra del Fuego, which followed the sacking of several hundred workers from a television assembly plant, have rekindled debate over the free-market policies that Argentina has adopted since 1991.

Opposition politicians have leapt on the Ushuaia incident, accusing President Carlos Menem of indifference to the fate of outlying regions and to record unemployment of 12 per cent. Many provincial economies have suffered as Argentina has opened its borders to foreign competition, critics say.

The government's only answer to social problems has been repression, says Mr José Octavio Bordón, presidential candidate for the Frepaso coalition, and Mr Menem's closest rival in next month's elections. The vice-presidential candidate for the left-wing Alianza del Sur, Mr Carlos Imizcoz, says the Ushuaia incident marks the "beginning of the end" for the government's unrestrained free-market model.

Partly in response to the shooting, and partly because of the Mexican-provoked credit crunch that has left many provincial administrations in poor financial condition, a rash of protests has swept the country. Last week there was a national general strike. There was a separate stoppage in Córdoba in support of unpaid civil servants, while sit-ins, marches and strikes took place in several other regions including Chaco, Neuquén, Entre Ríos, San Juan, La Rioja, Río Negro, Salta and Buenos Aires.

There have also been renewed street protests in Santiago del Estero, the northern province whose popular uprising 15 months ago brought Argentina's provincial crisis to international attention.

At the time of the Santiago riots, in which six people died, commentators drew parallels with Mexico's Chiapas uprising and many called for a slowdown of Argentina's free-market reforms. Poor provinces could not simply be abandoned to their fate, they argued.

But the government maintains that provinces such as Santiago must restructure their moribund, state-dominated economies. This, they argue, is the only antidote to years of waste and routine corruption.

"When I arrived in Santiago, there had been a total collapse of the state apparatus," says Mr Juan Schiaretti, the *interventor*, or federal administrator sent by President Menem to replace the elected, though discredited, provincial government.

Mr Schiaretti says Santiago, like many other poor Argentine provinces, suffered from decades of "feudal" rule. One of the country's poorest regions, Santiago had been running a monthly budget deficit of $14m (£9.6m). Mr Schiaretti says he began to restore financial order by cutting excessive public salaries and by weeding out political appointees paid for non-existent jobs. These simple measures saved $10m a month, he says.

Next, he set about reducing the state sector, selling the electricity company, and unloading the debt-ridden provincial pension fund on to the federal government. Three tourist complexes and an abattoir were privatised. "We even sold the casino, one of the few in the world that was actually losing money," he says.

Mr Schiaretti says Santiago's books are now balanced and social spending has been increased.

But there are those who bitterly oppose Mr Schiaretti's policies, which are the government's preferred solution to provincial problems nationwide. Among them is Mrs Alba Luna del Castillo, leader of ATE, the public sector employees' union. She opposes privatisations and the shrinkage of the state sector. There are, she argues, simply no other sources of work in the province.

"These policies of [economy minister Domingo] Cavallo are killing the regional economies," she says, lamenting what she calls "punitive" treatment of small companies in favour of corporations.

Dissenting voices like those of Mrs Luna del Castillo can be heard in many poor provinces. Some opposition politicians, perhaps more in hope than conviction, are predicting a social explosion. With the exception of Santiago del Estero and Ushuaia, though, provincial protests have seldom led to serious violence.

But Ushuaia in particular, and national unrest generally, demonstrate that regional discontent is not as much under control as the government would like to believe. The next government, be it led by Mr Menem or not, is likely to suffer many a setback in its quest to carve out a viable future for the provinces.

INTERNATIONAL ECONOMIC INDICATORS: PRODUCTION AND EMPLOYMENT

Yearly data for retail sales volume and industrial production plus all data for the vacancy rate indicator are in index form with 1985=100. Quarterly and monthly data for retail sales and industrial production show the percentage change over the corresponding period in the previous year, and are positive unless otherwise stated. The unemployment rate is shown as a percentage of the total labour force. Figures for the composite leading indicator are end-period values.

■ UNITED STATES

	Retail sales volume	Industrial production	Unemployment rate	Vacancy rate indicator	Composite leading indicator
1985	100.0	100.0	7.1	100.0	91.3
1986	105.5	100.9	6.9	98.3	95.5
1987	108.4	106.0	6.1	106.3	96.5
1988	112.6	110.7	5.4	107.6	100.1
1989	115.6	112.4	5.2	101.4	98.8
1990	116.4	112.4	5.4	87.0	95.0
1991	114.0	110.5	6.6	84.6	99.8
1992	117.6	114.1	7.3	83.9	104.6
1993	123.8	118.8	6.7	89.0	110.2
1994	131.3	125.1	6.0	79.0	113.5
1st qtr.1994	6.7	4.1	6.5	75.0	110.9
2nd qtr.1994	6.1	5.4	6.1	78.4	111.4
3rd qtr.1994	5.8	5.8	5.9	78.9	112.3
4th qtr.1994	5.7	6.0	5.5	83.6	113.5
April 1994	6.7	4.8	6.3	77.1	111.4
May	5.8	5.9	6.1	80.0	111.6
June	5.8	5.9	6.0	78.2	111.4
July	5.0	5.6	6.0	80.6	111.7
August	5.0	6.2	6.0	79.5	111.9
September	6.4	5.7	5.8	77.6	112.3
October	6.2	6.1	5.8	84.0	112.2
November	6.0	5.8	5.5	82.0	112.9
December	4.9	6.1	5.4	84.9	113.5
January 1995	6.8	6.5	5.6	78.8	113.4
February	4.4	5.8	5.4	81.5	113.1
March		4.5			

■ JAPAN

	Retail sales volume	Industrial production	Unemployment rate	Vacancy rate indicator	Composite leading indicator
1985	100.0	100.0	2.6	100.0	77.1
1986	106.6	99.7	2.8	94.3	84.2
1987	113.8	103.1	2.8	108.3	91.6
1988	122.6	113.1	2.5	135.9	97.0
1989	132.5	119.7	2.2	147.0	99.0
1990	141.7	124.5	2.1	149.6	96.5
1991	144.6	126.8	2.1	144.2	94.1
1992	139.9	119.0	2.1	124.2	93.3
1993	131.8	113.6	2.5	106.6	98.0
1994	129.6	114.5	2.9	102.2	107.0
1st qtr.1994	-2.9	-3.0	2.8	100.9	102.3
2nd qtr.1994	-1.8	-1.1	2.8	102.4	103.8
3rd qtr.1994	-1.2	1.7	3.0	103.1	105.7
4th qtr.1994	-0.6	5.9	2.9	102.2	107.0
April 1994	-1.9	-2.0	2.8	100.9	102.9
May	-3.4	-1.8	2.6	102.9	103.0
June	-0.1	0.7	2.9	103.6	103.8
July	-0.2	-0.5	3.0	101.5	105.1
August	-2.1	3.6	3.0	104.4	105.6
September	-1.1	2.0	3.0	103.3	105.7
October	-1.4	4.6	3.0	102.4	106.2
November	0.9	6.3	2.9	102.4	106.9
December	-1.3	6.8	2.8	102.0	107.0
January 1995		4.8	2.9	101.5	106.0
February		7.2			
March					

■ GERMANY

	Retail sales volume	Industrial production	Unemployment rate	Vacancy rate indicator	Composite leading indicator
1985	100.0	100.0	7.1	100.0	89.7
1986	103.3	102.2	6.4	136.4	89.5
1987	107.4	102.6	6.2	149.4	90.3
1988	110.5	106.3	6.2	164.8	95.6
1989	114.2	111.4	5.9	218.7	97.9
1990	123.5	117.2	4.8	261.1	98.3
1991	130.5	120.8	4.2	270.7	95.7
1992	127.7	119.1	4.6	260.2	90.0
1993	122.3	110.8	6.1	198.5	95.9
1994	120.5	114.5	6.8	196.8	104.2
1st qtr.1994	0.4	0.1	6.8	194.3	98.7
2nd qtr.1994	-1.9	3.2	6.9	189.2	101.5
3rd qtr.1994	-2.5	4.0	6.9	194.3	103.2
4th qtr.1994	-2.0	6.8	6.8	208.4	104.2
April 1994	-7.8	2.9	6.9	192.6	100.0
May	2.6	2.3	6.9	188.4	100.7
June	-0.2	4.2	6.9	187.6	101.5
July	-3.0	6.7	6.9	190.9	102.1
August	-2.6	2.0	6.9	193.4	102.9
September	-1.7	3.2	6.9	199.3	103.2
October	-1.9	4.9	6.8	203.4	103.7
November	-3.5	6.3	6.8	208.4	104.1
December	-0.6	7.8	6.8	213.4	104.2
January 1995				222.6	103.7
February				229.3	103.0
March					

■ FRANCE

	Retail sales volume	Industrial production	Unemployment rate	Vacancy rate indicator	Composite leading indicator
1985	100.0	100.0	10.3	100.0	90.0
1986	102.4	101.2	10.4	107.0	98.3
1987	104.5	103.1	10.5	117.2	98.2
1988	107.9	107.3	10.0	135.3	101.0
1989	109.5	111.3	9.4	160.6	100.7
1990	110.4	112.9	8.9	163.2	98.2
1991	110.3	113.3	9.4	128.2	97.4
1992	110.5	113.2	10.4	109.5	98.1
1993	110.7	110.1	11.7	90.0	99.2
1994	110.8	114.2	12.5	104.1	102.6
1st qtr.1994	1.0	9.4	12.4	93.6	101.4
2nd qtr.1994	-1.5	3.6	12.5	110.6	103.0
3rd qtr.1994	1.3	5.6	12.5	109.0	103.5
4th qtr.1994	-0.5	5.5	12.4	103.5	102.6
April 1994	-4.4	3.6	12.5	113.6	102.6
May	3.1	3.8	12.5	109.8	103.2
June	-2.8	3.5	12.5	108.3	103.0
July	-2.1	5.6	12.5	105.2	102.9
August	3.8	5.6	12.5	109.6	103.1
September	2.3	5.5	12.5	111.9	103.5
October	-1.8	5.0	12.4	108.3	103.4
November	-0.5	5.0	12.4	102.2	102.9
December	0.9	6.4	12.4	99.3	102.6
January 1995	2.4	5.6	12.3	110.5	102.3
February	0.8		12.3		101.5
March					

■ ITALY

	Retail sales volume	Industrial production	Unemployment rate	Composite leading indicator
1985	100.0	100.0	9.6	88.3
1986	106.8	104.1	10.4	94.3
1987	112.1	106.8	10.9	95.7
1988	107.9	114.2	10.9	99.6
1989	116.8	118.7	10.9	97.8
1990	114.4	118.0	10.3	94.2
1991	110.9	116.9	9.8	96.2
1992	116.9	115.4	9.8	93.2
1993	114.2	113.0	10.2	89.7
1994		119.6		101.8
1st qtr.1994	-5.7	-0.9	11.7	101.0
2nd qtr.1994	-5.8	5.2	12.5	101.6
3rd qtr.1994	-4.3	9.9	11.8	102.1
4th qtr.1994		9.3		101.8
April 1994	-10.4	6.9	n.a.	101.4
May	-3.0	3.0	n.a.	101.5
June	-8.8	5.7	n.a.	101.6
July	-2.3	7.8	n.a.	101.8
August	-4.9	15.0	n.a.	102.0
September	-5.6	7.3	n.a.	102.1
October	-5.9	6.7	n.a.	102.1
November		8.9	n.a.	102.1
December		14.5	n.a.	101.8
January 1995		9.3	n.a.	101.4
February		7.6	n.a.	101.3
March			n.a.	

■ UNITED KINGDOM

	Retail sales volume	Industrial production	Unemployment rate	Vacancy rate indicator	Composite leading indicator
1985	100.0	100.0	11.2	100.0	90.0
1986	105.8	102.4	11.2	116.1	98.0
1987	110.7	106.5	10.3	141.2	97.0
1988	117.8	111.6	8.6	143.1	95.8
1989	120.1	114.0	7.2	123.6	93.6
1990	121.1	113.7	6.8	97.2	91.3
1991	119.6	109.2	8.8	68.2	95.3
1992	120.5	109.0	9.9	69.2	99.2
1993	124.7	111.5	10.3	76.0	106.6
1994	129.0	117.3	9.5	93.5	110.5
1st qtr.1994	3.8	4.2	9.9	84.3	108.7
2nd qtr.1994	3.8	5.8	9.6	88.7	108.9
3rd qtr.1994	3.4	5.9	9.5	98.1	110.1
4th qtr.1994	2.9	5.1	8.9	105.0	110.5
April 1994	4.3	6.1	9.6	87.0	108.5
May	4.1	5.1	9.6	87.9	108.7
June	3.1	6.3	9.6	91.0	108.9
July	3.8	5.5	9.6	93.1	109.6
August	3.1	5.6	9.5	96.8	109.8
September	3.5	6.6	9.3	98.6	110.1
October	2.9	6.0	9.1	104.1	110.3
November	2.3	4.1	8.9	105.8	110.5
December	3.5	5.1	8.7	105.1	110.5
January 1995	-0.1	4.0	8.6	103.1	110.6
February	2.8	3.8	8.5	101.9	110.5
March	1.8				

All series seasonally adjusted. Statistics for Germany apply only to western Germany. Data supplied by Datastream and WEFA. Retail sales volume: data from national government sources except Japan and Italy (value series deflated by OECD using CPI). Refers to total retail sales except France and Italy (major outlets only) and Japan (department stores only). Industrial production: data from national government sources. Includes mining, manufacturing, gas, electricity and water supply industries except Japan (mining and manufacturing only) and UK (also includes construction industries). Unemployment rate: OECD standardised rate which adjusts as far as possible for the different definitions of unemployment used in official sources. Vacancy rate indicator: relevant vacancy measure divided by total civilian employment, expressed in index form. Derived from OECD series: US – help-wanted advertising, Japan – new vacancies, Germany and France – all jobs vacant, Italy – no data available, UK – unfilled vacancies. Composite leading indicator: OECD data. Each is a combination of series, cyclical fluctuations in which usually precede cyclical fluctuations in general economic activity.

هكذا من الأصل

Japanese stick to buying yen bonds

By Gerard Baker in Tokyo

The reluctance of large Japanese financial institutions to invest in foreign currency denominated assets was underlined yesterday when one leading public-sector investor said it remained cautious about buying anything other than yen bonds.

The post and telecommunications ministry's Post Office Life Insurance Bureau said the need to avoid exchange-rate risks forced it to give priority to yen-denominated fixed-interest securities in its asset allocation plans for the current financial year. The bureau invests funds collected through its life assurance and postal savings schemes.

Mr Shigetoshi Takagi, director-general, denied the ministry had unloaded large holdings of foreign bonds to minimise the effects of the yen's rise against the US dollar and other currencies.

Latent exchange losses from investment of the life assurance scheme's funds at the end of last month were estimated to have stayed little changed from the Y910bn (£6.8bn) recorded a year earlier. Losses from investment in dollar-denominated bonds had been partly offset by profits from investment in bonds denominated in European currencies, he said.

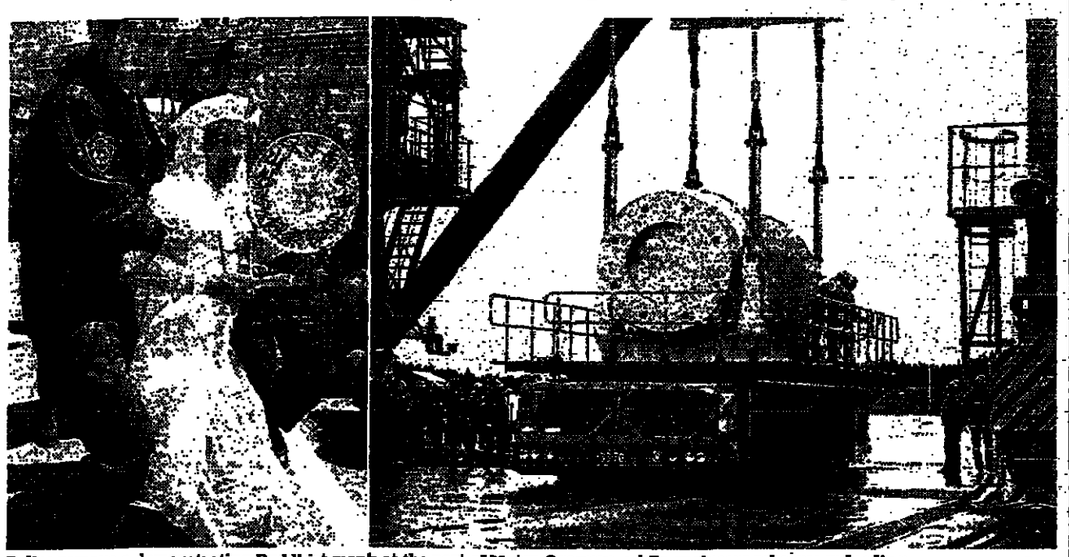
The unwillingness of Japanese investors to purchase US dollar stocks and bonds has been one of the driving forces behind the yen's surge in recent months.

Life assurers and pension funds were heavy buyers of dollar assets in the 1980s, but saw the yen value of their purchases decline as the Japanese currency rose.

At the start of the new financial year each April, institutions indicate their preferred investment allocations for the coming year. So far, top institutions have all indicated they will be further cutting back their allocations of foreign currency denominated securities.

Mixed welcome awaits N-cargo

Emiko Terazono visits a Japanese village set to receive nuclear waste



Police remove a demonstrating Buddhist monk at the port of Mutsu Ogawara, while engineers rehearse unloading Reuter

For the past few months employees at Japan Nuclear Fuel, the operators of Japan's nuclear power facilities at the northern tip of the country's main island of Honshu, have been rehearsing for the arrival by ship today of a massive steel flask of nuclear waste and its transportation to the company's site.

The 112-tonne flask containing 400kg of high-level radioactive waste from Japanese fuel reprocessed at the La Hague nuclear reprocessing plant run by France's state-owned Cogema group, is due to be delivered at the port of Mutsu Ogawara by the British-owned ship Pacific Pintail which left the French port of Cherbourg in February.

On arrival the flask, radiating heat of up to 85° C, will be transported to the nuclear fuel cycle facilities at nearby Rokkasho where the waste will be lowered into underground storage pits.

"We are ready for it," says Mr Takahisa Nemoto, general manager at JNFL, confidently.

However, the residents of Rokkasho, a former fishing and farming village, have mixed feelings. Some, including Mr Hiroshi Tsuchida, the mayor, point out the economic and social benefits of the construction of the Y1,260bn (£9.46bn) nuclear facility, which – with its waste storage, uranium enrichment and plutonium reprocessing plants – is central to the country's plutonium programme.

With nuclear energy already accounting for 30 per cent of electricity generation – the country has nearly 50 nuclear power plants and more on the way – the scale of the nuclear commitment is set to rise.

Government subsidies to the region, which like other provincial districts in the country suffers from an ageing and declining population, have totalled some Y40bn. Visitors to the village are struck by a large modern gymnasium and a new history museum. A golf course is being built near the nuclear site.

Mr Tsuchida says the inflow of companies involved in the running and construction of the site has changed the attitudes of the provincial and conservative Rokkasho villagers, who have become more open.

But the imminent arrival of the high-level waste shipment has fuelled cries from environmentalists. The leading concern is that of safety, which has become more pressing than ever since the Kobe earthquake in January.

The Aomori region was hit by an earthquake last December, and local opposition groups have published photographs of cracked roads and a damaged quay at a fishing port only a few miles away from the nuclear site.

Anti-nuclear groups reject the government's assurances of safety, pointing out that the site is close to possibly active faults and could be vulnerable in the event of an earthquake. Some geologists are worried about the marshy nature of the area where the facility is built.

The Aomori municipality has refused permission for permanent storage and since last December, when the government reached an agreement with Rokkasho and the municipal government to limit the length of storage to 50 years, the government has been forced to look for alternatives, including the northern island Hokkaido.

The opposition camp has dubbed the country's nuclear programme a "flat without a toilet", and some villagers are worried that the central government may eventually backtrack on the agreement since the legality of the letter of intent signed at the end of last year remains vague.

Citizens' organisations and concerned geologists have taken the government to the district court, demanding a withdrawal of its construction permit for the facility's plants.

Most of the villagers have become quiet now that part of the site is operational and construction of other plants are well under way. Although anti-nuclear activists gathered around Mutsu Ogawara port yesterday, only a handful of residents joined them.

Mr Yosaburo Takada, a local fisherman, says that many residents fear speaking out since most will have someone in their families with a job connected to the nuclear facilities. He claims to have tried to organise a petition opposing the site, but people were reluctant to sign their names. "People are against it inside but are afraid of showing it," he says.

Mr Takada, pointing to a picture on his wall of himself with prime minister Mr Tomiichi Murayama before his party became part of the ruling coalition, claims that he had received assurances that the facility's construction would be halted. Once in power, the socialist party quickly dropped its platform opposing nuclear power.

Says Mr Takada: "I thought he would support us when he became prime minister. Instead he's for the other side."

Voters snub the mainstream parties again

By William Dawkins in Tokyo

Disgruntled Japanese voters delivered another snub to mainstream political parties in the second and concluding round of local elections over the weekend.

The final returns, counted yesterday, showed politically independent candidates won a record 31 of the 86 mayoral seats up for re-election, up from 27 four years ago. Independents also took 60 per cent of the municipal assembly seats in the poll, mainly at the expense of the Liberal Democratic and Social Democratic parties, the largest members of the government coalition.

These results, in a 60 per cent turnout, confirm the humiliation delivered to the political establishment in the first round of local elections two weeks ago. Then, the two most powerful local government jobs, the governorships of Tokyo and Osaka, fell to an ex-actor and an ex-comedian.

Both elections are widely seen as a register of voters' disillusion with political parties and the bureaucracy, at a time when public sentiment is one of vulnerability. Confidence has been fractured by an extraordinary run of crises: the Kobe earthquake in January, the upheavals in the currency markets, last month's gas attack on the Tokyo subway, and two less serious repeat attacks in Yokohama.

Tamil Tigers deny closing door to peace

By Shiraz Sidhva in New Delhi

Sri Lanka's Tamil Tiger rebels fighting for a separate homeland in the island's north and east yesterday denied they had closed the door to peace, but demanded the government come up with a fresh initiative to prevent a slide back to civil war.

The Liberation Tigers of Tamil Eelam (LTTE) blamed renewed fighting on the government's failure to satisfy its demands by an April 19 deadline. Last week a series of LTTE attacks broke the fragile ceasefire, leaving at least 48 soldiers and 20 guerrillas dead and jeopardising promised peace talks.

In a statement released in Colombo yesterday, the rebels said they had "not closed their mind nor their doors towards an eventual durable peace". It was up to the government to offer an initiative to resume talks on the 12-year ethnic conflict in which more than 30,000 people had been killed, the statement added.

The LTTE denounced the government's easing of an economic embargo against the northern rebel stronghold of Jaffna in March as a ploy by the government of Mrs Chandrika Kumaratunga to satisfy foreign aid donors meeting in Paris this week.

The LTTE's demands include the dismantling of an army camp in Jaffna, the complete lifting of an economic embargo, the free movement of armed fighters in the east, and the relaxation of fishing restrictions around the northern coastline.

President Kumaratunga called the LTTE attack a "temporary setback" and said her government was committed to peace "with or without LTTE participation".

"It is apparent that the LTTE is not prepared to make an effort to achieve the aspirations of the Tamil people for peace," she said, addressing a rally on Saturday.

The rebels have been severely criticised by the international community following the resumption of hostilities on April 19, when a suicide squad attack on two naval vessels in the eastern port of Trincomalee killed 12 sailors.

On Saturday the LTTE attacked the Kaddumuruvikulam jungle detachment army camp at the junction of Batticaloa, Polonnaruwa and Trincomalee districts, killing at least 29 soldiers and wounding 45 others.

Sri Lanka rebels denounce easing of embargo on Jaffna as a ploy to satisfy foreign aid donors

ASIA-PACIFIC NEWS DIGEST

Malaysian poll in second phase

The overwhelming majority of Malaysia's electorate, located in peninsular Malaya and coastal Borneo, votes today in the second phase of the country's two-day national elections. Prime Minister Mahathir Mohamad's National Front coalition is expected to sweep the polls, probably retaining its two-thirds parliamentary majority. The opposition Chinese-based Democratic Action party and the Moslem fundamentalist Parti Islam hope to win support in Penang and Kelantan respectively. Polling began yesterday in remote areas of Sabah and Sarawak. Voting is to elect a new 192-member Parliament. The National Front has won 11 seats uncontested. Voters also are choosing legislative assemblies in 11 of Malaysia's 13 states. *AP, Kuala Lumpur*

Hanoi preservation plan

Vietnam has unveiled plans aimed at preserving the old Vietnamese quarter of Hanoi, the official Vietnam News reported yesterday. The government has approved a scheme focusing on preservation of alleyways, pagodas and crumbling old tea-houses and restoring temples, pagodas and churches. In January, Vietnamese writers urged the mayor not to let a building boom destroy the city's architecture. *Reuter, Hanoi*

■ The Philippine trade deficit fell sharply in February to $354m (£220m) from January's $698m. The deficit stood at $422m in February 1994. Total trade in the first two months of the year reached a record $5.888bn, with exports up 28.7 per cent and imports up 15.7 per cent.

■ Hong Kong's consumer price index rose 0.5 per cent in March from February, giving 9.5 per cent year-on-year inflation, largely attributed to the slide in value of the US dollar, to which the Hong Kong dollar is pegged.

■ Singapore's consumer price index fell 0.3 per cent in March, giving year-on-year inflation of 2.4 per cent. February industrial output was up 13 per cent on February 1994.

■ Japanese consumer confidence fell in the January-March quarter: the country's consumer confidence index fell to 44.1, down 3.9 points from the previous quarter.

OBITUARY

Sir Horace Kadoorie

Hong Kong philanthropist Sir Horace Kadoorie, a member of one of the colony's most venerable business dynasties, died on Saturday at the age of 92, a spokeswoman announced yesterday.

Sir Horace was the younger son of Sir Elly Kadoorie, who arrived in Hong Kong in 1880 to establish a wide-ranging business empire including China Light & Power Co and Hong Kong's famous Peninsula Hotel.

Sir Horace's brother, Lord Kadoorie, who died in 1993 aged 94, took the lead in business affairs but Sir Horace played his part as honorary life president of Hongkong and Shanghai Hotels, after serving as its chairman for 35 years until 1985.

Sir Horace and his brother received the Magsaysay Award for public service in 1962. Sir Horace was awarded a knighthood when he was 86 for his work in Nepal. The Nepal government awarded him one of its highest honours, the Gurkha Dashin Bahu (First Class) Award, for his work in helping Gurkha soldiers readjust to rural life after leaving the British military. *Reuter, Hong Kong*

Sri Lanka and Bangladesh to test aid climate

By Peter Montagnon, Asia Editor, in London

Sri Lanka and Bangladesh are to meet international donors in Paris this week in a test of an aid climate that is looking more difficult.

Pakistan last week received commitments worth "a few hundred million dollars" more than the $2.3bn (£1.4bn) it was seeking, according to a World Bank official, but it is uncertain whether the other countries will be as lucky.

Part of the problem is dwindling enthusiasm for aid among industrial countries, a mood especially pronounced in the new Republican Congress in the US, but circumstances within Sri Lanka and Bangladesh have also made some donors cautious.

In talks with donors today and tomorrow, Mr Saifur Rahman, Bangladesh's finance minister, is likely to seek around $1.85bn in new aid disbursements in the coming year.

This is somewhat higher than the level at which disbursements have been running in recent years.

However, calculations by the World Bank, which is organising the meeting, show that the country still has $4.5bn in unused aid commitments despite efforts by the government to speed project implementation.

Donors have been increasingly reluctant to put new money into the country because of what they say is the poor quality of its public administration.

Sri Lanka, whose case will be discussed on Thursday and Friday, can expect pledges of around $700m, international officials believe.

There was no donors' meeting for Sri Lanka last year because the country was immersed in elections, but the figure would be lower than the $848m in pledges received in 1993.

Sri Lanka is the most prosperous country in South Asia with gross domestic product per capita of $800, but a recent study by the World Bank says growth has been slowed by the still unresolved conflict between the government and the Tamil separatists.

If poverty is to be reduced further, the government must do more to rationalise the tax and trade regime, deregulate foreign investment and reform the land and labour market, the study said. This should be accompanied by reform of social services to ensure they are directed to the truly poor.

Western economists have argued that economic reform will not bite without a permanent cessation of hostilities because of the continuing drain on the island's resources of defence expenditure, estimated at about $300m this year.

هكذا من الاصل

هكذا من الاصل

'Weaknesses in IMF shown by Mexico'

By Robert Chote in Washington

Mr Michel Camdessus, the managing director of the International Monetary Fund, admitted yesterday that the Mexican financial crisis had exposed "a global problem with the culture of the Fund".

Two days before the IMF's policy-making interim committee holds its spring meeting, Mr Camdessus conceded that the organisation had made mistakes in failing to react quickly enough to the development of Mexico's problems. But he added that the situation had been made difficult to deal with by a political vacuum in the country during the second half of last year.

An internal inquiry into the IMF's handling of the Mexican crisis has been carried out by Sir Alan Whittome, the former head of its European section. Mr Camdessus said Sir Alan had concluded that the IMF was concentrating too much on problems countries faced with the current accounts of their balance of payments, but not enough on the capital account. This meant that too much attention was paid to trade patterns in goods and services, and too little to the sustainability of flows of investment funds. This was inappropriate in a world of massive free flows of capital.

The IMF also relied too exclusively on its member countries for information about developments in their economies, Mr Camdessus said. He added that more use should be made of information from research centres and other sources.

This might, for example, have alerted the IMF more quickly to the dangers posed by the growing proportion of Mexico's debt being held as *tesobonos* – short-term bonds indexed to the dollar but repayable in pesos.

Mr Camdessus conceded that the IMF also tended too much to give its members the benefit of the doubt when carrying out studies and making recommendations: "There is a need for more frankness or harshness when they don't want to see something," he said. He added that surveillance of economic performance was always difficult for an organisation when it was its own members that were being surveyed.

In the case of Mexico, Mr Camdessus said, the IMF may not have been close enough to events. He said he wanted to strengthen the Fund's relationships with policymakers and have more of a dialogue both with the countries involved and independent experts. This echoed the calls last week for greater dialogue by the Institute for International Finance, which represents big banks and investment managers.

Mr Camdessus also repeated his request for additions to the Fund's resources to help it cope with future crises. He said the IMF should be able to ask for money from a wider range of countries under the so-called General Agreement to Borrow. Countries' quotas – the subscriptions which determine each country's effective shareholding in the IMF – should also be doubled, he said.

Plans to tackle the burden of "multilateral" debt owed by poor countries to organisations like the Fund and World Bank would also be tackled this week, Mr Camdessus said. He argued that extra help should be financed by an increase in support from richer nations, but that if substantial sums were forthcoming then the IMF might also chip in some money by selling a small amount of its gold reserves.

Gold sales were proposed last year by Mr Kenneth Clarke, the UK chancellor, as a way to finance an easing of multilateral debt. But Mr Camdessus said some countries were wary of Mr Clarke's plan to extend the period over which these debts could be repaid.

CO_2 output expected to soar

By Robert Corzine

A surge in energy demand in coming years will result in growing emissions of carbon dioxide, one of the main greenhouse gases, according to the International Energy Agency and the Organisation for Economic Co-operation and Development.

In the annual World Energy Outlook published yesterday, the Paris-based IEA, whose members include the world's main industrialised countries, said global energy demand was likely to increase at an average annual rate of 1.7-2.1 per cent over the next 15 years.

That would take total energy demand to 10.5bn-11.5bn tonnes of oil equivalent in 2010, when fossil fuels will still account for 90 per cent of the world's supplies.

As a result, world carbon dioxide emissions will increase by 30-42 per cent by 2010, with all regions aside from central and eastern Europe registering a rise. But the biggest growth will be in fast growing developing countries. "India and China alone account for a larger increase in emissions between 1990 and 2010 than do all OECD countries combined," the report says.

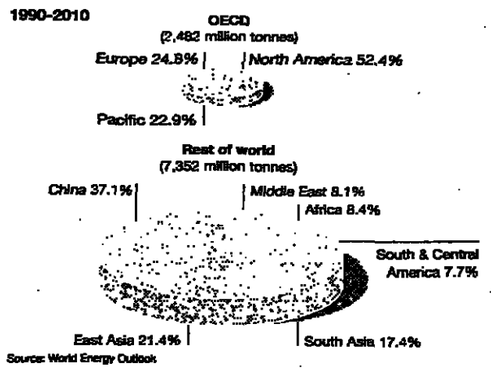
There will also be a big shift in energy consumption patterns. The IEA says that by 2010 the OECD countries will consume less than half the world's energy, compared with about 55 per cent at present. But the dependence of the mainly western industrialised world on non-OECD countries for energy supplies will grow, "raising again the issue of import dependence and its significance for energy security".

The report predicts that the OECD countries' reliance on imported oil will increase sharply over the next 15 years, especially in the US, whose oil import dependency could rise from 50 per cent to 70 per cent. Japan will remain "almost entirely dependent on foreign-produced fossil fuels".

Although oil production in countries outside the Organisation of Petroleum Exporting Countries has grown strongly in recent years, the report predicts that Opec's market share will increase from just under 40 per cent today to around 50 per cent by 2010. World demand for oil is expected to rise to 90m-95m barrels a day by 2010, compared with around 68m b/d at present.

Mr Robert Priddle, the IEA's executive director, said yesterday that "with both the supply and demand of oil shifting proportionately away from the OECD, the actions of producers and consumers outside the OECD will come to have a greater and greater impact on energy availability... and potentially, on how our economies perform".

Increase in carbon dioxide emissions



Source: World Energy Outlook

Demand for natural gas will also expand rapidly, especially for power generation. In North America its use will grow by 50 per cent by 2010. Europe's gas demand will double, with Russia, North Africa and the Middle East supplying half the needs of OECD Europe by 2010.

The consumption of solid fuels will also grow, by 1.6-2 per cent a year. Coal's share of the primary energy market is likely to stay relatively stable over the next 15 years, at just under 30 per cent.

But there will be strong pockets of growth that will lead to a doubling in the international trade in coal over the next 15 years.

Much of the coal will be used for power generation. The IEA predicts that the increase in annual world electricity generation will be 6,000-8,000 terawatt hours, requiring extra generating capacity of 1,431 gigawatts, "equivalent to 1½ times the current gross capacity of the US and Canada".

World Energy Outlook – 1995 Edition. ISBN 92-64-14391-2. International Energy Agency, 2, rue André-Pascal, 75775 Paris Cedex 16; FFr320 (France only). Other countries: FFr425; $79; DM129.

'A new South African civilisation is in the making'

Roger Matthews hears Nelson Mandela review his first year in office

President Nelson Mandela said yesterday that South Africa's government of national unity had achieved far more than he expected in its first year of office, and had gone a long way toward changing some of the evils that had haunted the country for 300 years.

"We have had our own crop of difficult decisions to make, but we have enjoyed the challenge. I have often felt that I have spent the time very fruitfully, and in many cases beyond my wildest dream," he said.

Mr Mandela was speaking at a 6.30am breakfast meeting with foreign journalists ahead of Thursday's anniversary of South Africa's first multi-party democratic elections. He declared himself physically fit for a 76-year-old and well enough to challenge Mike Tyson, the former world heavyweight champion. But the president emphasised he would not stand for re-election in 1999.

A large part of the past year had been spent in planning, said Mr Mandela, and people would soon begin to see the fruits of that work. He did not think that even the most disadvantaged South Africans had expected overnight change, and he did not believe that there was discontent and restiveness about the pace of change.

For a start, the new government had provided free healthcare for children under six and pregnant women, and had also initiated a feeding programme that helped more than 5m children. President Mandela said it was true that the poor and homeless wanted a speedy end to their wretched conditions but they did not expect it to happen "in one fell swoop".

He also praised his coalition partners, the National party led by former president F W de Klerk, and the Inkatha Freedom party headed by Chief Mangosuthu Buthelezi, both of whom have this year threatened to walk out of the government. Mr Mandela said it was a marvel that they had all worked together so well.

But he warned Mr Buthelezi that he would not submit to blackmail over the IFP's demands for international mediation to resolve differences over the degree of autonomy to be given to KwaZulu Natal.

The president said he had received a very positive international response to South Africa's achievements, but warned that foreign investors would remain cautious until more of the country's problems had been resolved. He believed that successive finance ministers had followed sound economic policies that had helped to boost investor confidence.

He admitted mistakes had been made, and the government had more often than not erred on the side of caution: "But whatever mistakes we may have made cannot subtract from the sea change in the South African body politic. A new South African civilisation is in the making."

INTERNATIONAL NEWS DIGEST

Israel lowers interest rates

The Bank of Israel yesterday reduced interest rates by a modest 0.8 percentage points, resisting demands from the Treasury and the business sector for a 2-3 point cut. The country's three largest banks, Hapoalim, Leumi and Discount, said they would lower interest rates to 15.5 per cent on Thursday. The reduction, the third this year, cut the rate at which the Bank of Israel lends to commercial banks to 14 per cent.

Israeli commentators took this as evidence that the tight monetary policy pursued by Mr Jacob Frenkel, governor of the central bank, was succeeding. This is the first year since the mid-1960s that Israel has enjoyed such low first-quarter inflation. Israelis, who suffered three-digit inflation barely a decade ago, are now talking of parity with western Europe. The bank's target for this year is between 8 and 11 per cent, and forecasts are that it will be down to single figures.

The business community complained last night that Mr Frenkel was being too cautious. Mr Dan Propper, president of the Israel Manufacturers' Association, said high interest rates were damaging to growth, investment and the way Israelis ran their businesses. *Eric Silver, Jerusalem*

Borders re-open to Palestinians

About 26,000 Palestinian workers from the Gaza Strip and the West Bank returned yesterday to jobs on Israeli farms and building sites after Israel lifted a 10-day security closure imposed for the Passover holiday. The border was reopened to 14,000 married men over the age of 30 from Gaza and 12,000 from the West Bank.

Tight restrictions have been in force since Islamic suicide bombers killed 21 Israelis north of Tel Aviv three months ago. Before then, 60,000 labourers crossed into Israel every day. Two years ago the influx was more than 100,000. Many of their jobs have now been taken by workers from eastern Europe and Asia. Unemployment in Gaza, which is heavily dependent on access to the Israeli market, is estimated to be running at 50-60 per cent.

Meanwhile, the Palestine Liberation Organisation said yesterday it was close to agreement with Islamic Jihad, the smaller and more radical of the Moslem opponents of peace with Israel, on limiting attacks on Israelis. Obstacles remained, however, in negotiations with the larger Hamas group. *Eric Silver, Jerusalem*

Boesak to be sued over funds

The controversy surrounding Mr Allan Boesak, the South African church leader and veteran anti-apartheid campaigner, deepened yesterday with Scandinavian donors saying they would sue him for the return of missing aid funds, and President Nelson Mandela promising him a top job in the diplomatic service.

A government inquiry into Mr Boesak's role in the Foundation for Justice and Peace, released at the weekend, concluded that he had not misappropriated aid funds, contradicting an earlier investigation by a Johannesburg law firm. Mr Mandela said yesterday he was very happy that Mr Boesak had been cleared and described him as "one of the most gifted young men in this country". Mr Mandela added that Mr Boesak deserved "a very high diplomatic position".

Lawyers responsible for that investigation yesterday described the findings of the government inquiry as preposterous and absurd. A spokesman for DanChurch Aid said in Copenhagen: "The Nordic church organisations intend to sue Boesak in the civil courts to get their funds back." *Roger Matthews, Johannesburg*

Sweet timing for entry into Mexico

Tate & Lyle and Premdor investments buck trend, report **Leslie Crawford** and **Bernard Simon**

Tate & Lyle, the world's biggest sugar company, and Premdor, a Canadian door maker, are bucking the trend by investing in Mexico at a time when most foreign investors are giving the country a wide berth.

Tate & Lyle last week announced it was acquiring a 49 per cent stake in Grupo Azucarero Sáenz, Mexico's second largest sugar producer, for $38m. Mr Neil Shaw, Tate & Lyle's president, was in Mexico for the announcement and said additional investments were planned to expand Sáenz's production from 250,000 tonnes to 350,000 tonnes by 1998.

"We hope our investment will attract other international companies to Mexico," Mr Shaw said after meeting President Ernesto Zedillo.

Premdor, a Canadian company which is one of the world's biggest door makers, has also decided to turn Mexico's economic woes into an opportunity.

The Toronto company is setting up a joint venture with Grupo IMSA, a Mexican steel and aluminium products group. Each partner has agreed to invest US$5m to expand an existing exterior steel door plant in Monterrey, Mexico's industrial capital, and to build a new wooden door factory on the same site. The latter will turn out about 3,000 doors a day, mainly for the residential market.

Mr Harley Ulster, a Premdor vice-president, said: "Right now is probably a good time to invest in Mexico. While the market has been devastated... we think there will be a tremendous demand for housing over time." The company hopes to use the Mexican plants as a springboard for exports to Chile, Brazil and Argentina.

Neil Shaw of Tate & Lyle: other companies may be attracted to Mexico Ashley Ashwood

IMSA already has operations in several South American countries.

Several of Premdor's US distributors, Mr Ulster added, had also indicated an interest in expanding their Mexican operations. Thanks to the devaluation of the Mexican peso in December, foreign investments are much cheaper than they were last year.

The Mexican government is trumpeting every foreign investment deal as a sign of returning confidence in the economy after the capital flight which accompanied the peso's devaluation. The government is keen to promote long-term investments to bring more stability to Mexico's external accounts and reduce its dependence on speculative, short-term capital which compounded Mexico's financial crisis in December.

The Mexican Investment Board (MIB), however, said it was difficult to predict what investment Mexico would receive this year. Direct foreign investment totalled $8bn in 1994, but more than half came from the re-invested profits of multinationals that have seen the value of their Mexican assets plummet since the devaluation.

Another $1.8bn of direct foreign investment was recorded in January, according to Finance Ministry figures, but the MIB does not believe the figure can be repeated over the coming months, as the January investments correspond to business plans made before the devaluation.

Mexico's deepening recession has already led several foreign companies to shelve expansion plans. Wal-Mart is one of several US retail chains which placed their bets on the growing purchasing power of 90m Mexicans with the North American Free Trade Agreement. Mexico's economic debacle, however, has led Wal-Mart to cancel opening 22 stores planned for this year in partnership with Grupo Cifra, Mexico's leading retail chain. "Only two stores will be opened this year, because we have already built them," said Mr Hector Vazquez, a Wal-Mart spokesman.

Carrefour, the French retailer, on the other hand, has announced a 500m pesos ($83m) joint venture with Grupo Gigante, one of Cifra's strongest competitors, to build five new mega-stores in four cities this year. Despite the recession, Carrefour believes the demand for basic consumer items will remain strong.

The stores which will be hardest hit are those specialising in imported goods, which flourished before the devaluation and became a symbol of Mexico's ephemeral affluence.

Mexico's success in wooing back foreign investors will largely hinge on how quickly it can ready plans for the privatisation of the petrochemical industry and its railways. The telecommunications sector is also scheduled to be opened to competition in 1996, although the ground rules have yet to be made public.

Opening of gas markets welcomed

By Leslie Crawford in Mexico City

International gas companies yesterday welcomed Mexico's decision to open the transport, distribution and storage of natural gas to the private sector, even though the exploration and production of natural gas will remain in the hands of the state oil monopoly Petróleos Mexicanos (Pemex).

The move is expected to speed development plans for a number of gas-fired power stations, delayed because Pemex has lacked the resources to put supply pipelines in place. Private-sector participation in the distribution of natural gas is also expected to help the planned privatisation of Mexico's secondary petrochemical industry, the country's biggest consumer of natural gas.

Trans-Canada Pipelines, based in Calgary, said it planned to bid for the Merida III power generation project in association with Corporacion Gutsa, a Mexican construction company, now that the legal obstacles to private-sector participation in the gas industry were being removed. "We are very interested in this new development," Mr David Annesley of Trans-Canada Pipelines said.

Mr Ignacio Pichardo, Mexico's energy minister, has sent a bill to Congress which changes the constitution to allow both domestic and foreign private investment in the gas industry, which to date has been a state monopoly.

Mr Pichardo said he hoped the move would attract about $5bn of private investment over the next three or four years. The new law will grant 10- to 20-year concessions for the construction and operation of gas pipelines. It will also allow private companies to import and export gas. Mexico currently imports about 360m cubic feet a day of natural gas, or about 10 per cent of its total production. In the coming years, however, Mr Pichardo said Pemex planned to increase production by at least 500m cubic feet a day to enable Mexico to become a net exporter of natural gas.

Kobe Steel Korea venture

By Michiyo Nakamoto in Tokyo

Japan's Kobe Steel and Je Il Steel of Korea have formed a joint venture to produce welding material for the Korean shipbuilding industry.

The two companies are investing Won6.4bn ($8.37m) to establish the venture, Kobe Welding of Korea, which will begin production this year. Kobe Steel's entry into the Korean market reflects the growing pressure from the yen's appreciation on the Japanese steel industry.

Kobe Steel, which has already been supplying Korea with welding material, said the yen's rise had made it difficult to continue exporting to South Korea.

The joint venture would enable Kobe to continue supplying the Korean shipbuilding industry with welding material at competitive prices, Kobe said. The Japanese company expects exports from Japan to be replaced by products made in Korea.

Demand for welding material in South Korea is expected to grow as the country's shipbuilding industry expands. The initial 300 tonnes a month to be produced at the new facility is expected to double within a few years. Kobe said the joint venture product would be aimed specifically at the Korean market and not exported to Japan. The Kobe investment also reflects the attraction to Japanese steelmakers of boosting their operations in Asian markets with strong regional growth.

The Japanese steel industry has been facing fierce competition from Korean steelmakers, which have been building up production capacity and making inroads in the Japanese market on the strength of their lower costs.

Posco, the leading Korean steelmaker, is expected to overtake Nippon Steel as the world's largest. The company has also moved aggressively into the Japanese market with the acquisition of a processing facility in Kyushu, where Japanese car companies have set up plants.

Korean steelmakers have also been successful at winning orders from leading Japanese steel users in the car, electronics and shipbuilding industries.

For Je Il Steel, the joint venture is an opportunity to diversify into new product areas. The company is South Korea's top producer of nails.

Suzuki to make trucks in Vietnam

Suzuki Motor, the Japanese vehicle maker, has won a licence from the Vietnamese government to make light trucks, becoming the seventh foreign company to be allowed into the country's growing motor industry, Our Hanoi Correspondent writes.

Suzuki, the main partner in a $20.9m venture with Japanese trading company Nissho Iwai and Vietnam's state-owned Vikyno, would initially make 500 vehicles a year at a plant in Dongnai province, just north of Ho Chi Minh City. This would rise to 3,500 vehicles a year, according to the Vietnam investment review, published by the State Committee for Co-operation and Investment (SECC), the official body which approves most foreign investment.

Ten per cent of Suzuki's production would be for export, the paper said. The 30-year venture has committed itself to making 38.2 per cent of vehicle parts locally after 10 years. Vietnam, keen to deter investors interested only in vehicle assembly, insists that 30 per cent of vehicle parts be made there within six to 10 years of starting manufacture.

Germany's Daimler Benz and Japan's Daihatsu last week were awarded licences for vehicle production in Vietnam, joining four existing manufacturers.

Ford and Chrysler of the US are understood to have submitted applications to the SECC.

WORLD TRADE NEWS DIGEST

Berne Union business up

New foreign investments insured by members of the Berne Union of export credit and investment insurers totalled $9bn last year, 55 per cent up on the 1993 level, while the value of their investment insurance portfolios rose 28 per cent to $33bn.

New export credit insurance and guarantee business increased 9.1 per cent to $375.5bn, plus $5bn of direct loans. Export credit claims paid grew 5.7 per cent to $14.3bn, while recoveries rose by about 25 per cent to $6bn. Premium income was up 11.4 per cent, and members' exposure under export credit insurance, guarantee and direct lending programmes totalled $504bn at the end of the year, 4.6 per cent higher than a year previously.

The Berne Union consists of 43 members from 34 countries and the Multilateral Investment Guarantee Agency of the World Bank. Last year, they supported 12.8 per cent of their countries' exports, which account for 80 per cent of world exports. *Guy de Jonquières, Business Editor*

Protests at Taiwan N-plans

About 100 anti-nuclear activists yesterday demonstrated outside the Taiwan Power Company, which was considering bids from two US companies to build Taiwan's fourth nuclear power plant. The state-run company was debating whether to buy reactors and other equipment from Westinghouse Electric or Asea Brown Boveri Combustion Engineering.

The protesters threw eggs at the power company building and carried banners calling for the scrapping of the nuclear power project. It will cost T$169.7bn (US$6.8bn) to build the new power plant at Kungliao, 40km north of Taipei.

Taiwan Power is considering tenders for reactors. emergency diesel generators and other equipment for the plant, to be completed in 2001. Officials declined to disclose the value of the contracts, but unofficial estimates put them at $2bn to $3bn. The government said the plant was needed to ease the island's power shortage. *Taipei, AP*

Contracts and ventures

■ Hitachi, the Japanese electronics manufacturer, and AEG Electrocom, a subsidiary of the German company AEG Daimler Benz Industrie, will set up a joint venture company to co-operate in developing and making postal automation systems. The new joint venture, AEG Hitachi Postal Automation, will be established in Japan in June to develop an advanced postal automation system for the Japanese market. The new system will incorporate a "stealth barcode" which enables mail to be sorted according to the different delivery routes of postmen. AEG Electrocom will be responsible for research and development while Hitachi will take charge of manufacturing, services and sales. The collaborative arrangement is expected to be extended to other markets in Asia. *Michiyo Nakamoto, Tokyo*

■ Alitalia, the Italian state airline, is to acquire 15 Fokker Jetline regional jets with 70-100 seats, on an operating lease basis, in preference to a competing offer from British Aerospace of the UK. No value was put on the deal, which will allow the Italian carrier to develop its links with Europe's regional network of secondary airports, but press reports in Italy suggested the contract was worth between L500bn ($292m) and L800bn. *Andrew Hill, Milan*

■ Dailywin Group, the Hong Kong-based designer, maker and assembler of watches and watch components, has signed an agreement with Walt Disney for the licensing of Disney characters on watches to be made and distributed in China. *Extel, Beijing*

Major reinstates rebel MPs to Tory party

By Robert Peston, Political Editor

Mr John Major, the prime minister, last night attempted to restore unity to his government by reinstating eight MPs to the parliamentary Conservative party who had been expelled at the end of last year.

He also urged a ninth MP, Sir Richard Body, who had resigned from the party, to return to the fold. Mr Major's gesture will restore the government's majority in the House of Commons if the rebel MPs do not decide to remain outside the party.

The rebels were expelled because they voted against the the government last November on the UK's contribution to the European Union budget, despite being warned that if the vote was lost it would prompt a general election.

After a late afternoon meeting, the rebels were last night considering whether to bow to pressure from backbench Tory MPs and end the civil war within the parliamentary party.

One MP said: "It's a difficult decision for them. They have been media stars since being kicked out. If they come back, they will sink back into obscurity".

Mr Major's unexpected gesture came in response to mounting pressure from Conservative MPs to end the public bickering between the rebels and the government. Over Easter, eight rightwing members of the party urged him to heal the rift.

A former minister, Mr Michael Spicer, is understood to have acted as go-between over the past 24 hours in the attempt to make peace.

Backbenchers, who spent the weekend campaigning for next week's local elections, said yesterday that they were concerned that the potential Tory vote was falling away because of the widespread perception that the party was disunited. "Knocking on doors is a pretty grim experience," said one Tory backbencher.

Mr Major, who spent the day discussing long-term policy with Mr Jeremy Hanley, the party chairman, and Mr David Hunt, chancellor of the Duchy of Lancaster, made his decision yesterday after consulting Mr Richard Ryder, the chief whip. However, the whips – or parliamentary party managers – have been reluctant to reinstate the rebel MPs.

The rebels remain united in their hostility to the EU. Since being expelled, they have tended to abstain or vote against the government on EU issues.

The only explanation being offered by senior Conservatives last night for Mr Major's decision to let them back in is that "it had to happen some time", in the words of one senior member of the government.

Wool acts over water charges

By Jenny Luesby

The Yorkshire wool industry intends to take legal action against water charges imposed by Yorkshire Water, the privatised utility, which it claims are jeopardising its future.

A group of 31 companies, including textiles groups Allied Textiles, Leeds, Illingworth Morris, and Parkland, have already said they will withhold part of their water payments until Yorkshire water justifies the latest in a series of price increases.

"We calculate that our water charges have gone up by 41 per cent above the retail price index in the last four years," says Mr Alan Lewis, chairman of Illingworth Morris.

In addition, a new charge this year, is set to "increase trade effluent charges by between 100 per cent and 300 per cent", says Mr Robert Clarke, director-general of the Confederation of British Wool Textiles, the employer's organisation.

The new charge is for industrial effluent entering the sewerage system, and is in addition to the volume-based payments by companies for their water supply, and the treatment of their effluent.

Yorkshire Water is the only water company that does not already charge for the reception of industrial effluent. A policy, which it says has seen industrial users account for 12 per cent of the volume of effluent, but pay for just 1 per cent of the costs.

Sinn Féin finally becomes a player in the political process ending weeks of deadlock

Breakthrough for N Ireland dialogue

By John Murray Brown in Dublin, and John Kampfner in London

Sir Patrick Mayhew (right) leaves Downing Street with Michael Ancram

Few politicians connected with Northern Ireland doubted that the face-to-face meeting between Mr Martin McGuinness and Mr Michael Ancram would take place.

The only questions were when, and on whose terms?

As soon as it became apparent that the IRA ceasefire was set to last, it became obvious that Sinn Féin, despite its small electoral mandate, would have to become a player in the political process.

The British government has been walking a tightrope. It has tried not to antagonise Unionist feelings more than is essential, while not being seen to be rushed into concessions to a political party associated with more than two decades of terrorism.

After months of behind-the-scenes manoeuvring, the joint framework document produced in Dublin and London was designed to bring Sinn Féin into the fold.

Unionists decried it as a "green manifesto", but knew there was no going back.

With the document out of the way, and cabinet approval given to developing political contact with Sinn Féin – the political wing of the provisional Irish Republican Army – and the political parties representing loyalist paramilitaries, the government shifted tack.

It was time to play it tougher with the republicans. President Clinton's decision to ignore the advice of his more senior officials and invite Mr Gerry Adams, Sinn Féin president, to a White House reception, played in many ways into London's hand.

Mr John Major made his annoyance apparent but, during his recent visit to Washington, extracted from Mr Clinton recognition that the British line should be supported.

Until that point, all sides had been counting the days before the "exploratory dialogue" between Mr McGuinness, Sinn Féin's chief negotiator, and government officials would be upgraded to include Mr Michael Ancram, the number two minister at the Northern Ireland office.

Before a minister could become involved, the government demanded that decommissioning of terrorist weapons be discussed as a separate issue.

Sinn Féin had wanted to veto the role of British troops in the province.

The loyalists were said to have given such an assurance – Sinn Féin have not. On no occasion has the text of any of the complex letters which passed between the parties on the issue been disclosed.

Again and again, the government said Sinn Féin had not done enough. It was not, officials said, a matter of semantics but of principle.

There is some evidence it was the intervention of Mr John Bruton, the Irish prime minister, which provided the latest breakthrough.

Dublin's concern was aroused after Sir Patrick Mayhew, Northern Ireland secretary announced the week before Easter he was inviting the main constitutional parties to bilateral discussions, regardless of Sinn Féin.

Mr Bruton, who has been in constant telephone contact with Mr Major over the past few days, is understood to have insisted that any move to exclude Sinn Féin would be disastrous for the peace process at a time when Mr Adams is under pressure from hardliners.

Apparently on Irish insistence, Sir Patrick changed a speech he was to deliver to the CBI 10 days ago, dropping the reference to parties "with significant electoral mandates", which Dublin felt relegated Sinn Féin to second tier status.

The intervention of Mr John Hume, the leader of the mainly-Catholic SDLP largely credited with persuading Sinn Féin to join the peace process, was also important.

He angrily accused Sir Patrick of endangering the peace process by focusing on minute detail.

But all along, there has been little expectation that republicans would hand over their weapons. Irish officials will point out there is no historical precedent.

In the civil war of the 1920s, there was a tradition that republicans hid their guns or their "pikes in the thatch".

There was clearly never much chance that the IRA could hand over to the Royal Ulster Constabulary or the British Army. No one is pretending that the breakthrough is much more than symbolic.

There is still a considerable way to go before the British will be able to summon the Unionists around the same table as Sinn Féin.

Yet each development makes it all the harder for any of the sides to return to the status quo, and now another hurdle has been cleared and another taboo has been broken, new life has been breathed into a process.

Just like a surgeon at an operation, ministers will endeavour to ensure that the breathing is methodical and that surprises are kept to a minimum.

UK NEWS DIGEST

EU diplomat heads for Washington

A tricky period in British diplomacy is in prospect with the confirmation yesterday that Sir John Kerr, a master negotiator who helped to fine-tune the Maastricht treaty, is to represent the UK in Washington, while his replacement as UK envoy to the European Union will be Mr Stephen Wall, a reputed Eurosceptic.

Sir John, 53, has been in Brussels since 1990 after a three-year stint in London as undersecretary of state for European affairs. As one of the government's key advisers on European affairs, he gained the reputation as one of the co-authors of the Maastricht accord, including the hard-won clauses which enabled Britain to opt out of common social policies.

Mr Wall, 48, currently ambassador in Lisbon, was also heavily involved in the pre-Maastricht deliberations in his capacity as foreign policy adviser to the prime minister. While he has often been described as cool towards the European project, and is suspected of ghost-writing an essay on the subject in the Economist, Foreign Office colleagues describe him as a "realist" whose Downing Street experience has endowed him with "good political judgment".

He will be plunged into the task of speaking for Britain during the run-up to next year's inter-governmental conference on the future of the European Union. This will mean resisting pressure from many EU partners for a widening of the use of majority voting in sensitive areas of European policy, including foreign affairs. *Bruce Clark*

Superhighways in schools

The government yesterday raised the prospect of large-scale public/private partnerships to bring "superhighways" to the classroom, with an invitation to companies in the information technology sector to collaborate with schools on pilot projects.

Mrs Gillian Shephard, the education secretary, published a consultation paper inviting companies to set out ideas for applications using new fibre-optic networks as aids to teaching, teacher training and school administration.

Only a small number of pilot projects are so far under way. The cost of providing infrastructure, and the expense of telecommunications services, have been significant handicaps to schools, whose budgets are tightly constrained. *Andrew Adonis, Public Policy Editor*

Regrouping to fight cancer

A reorganisation of health services dealing with cancer, leading to a concentration of resources on larger hospitals, was announced by Mrs Virginia Bottomley, health secretary, yesterday.

Under the new plan, "cancer units" able to deal with more common forms of cancer will be located in district hospitals, and "cancer centres" with larger resources and able to deal with rare forms of the disease will be located in hospitals with a catchment area of at least 1m patients.

Professor Karol Sikora, director of clinical oncology at Hammersmith Hospital, London, said the new structure should end the "cancer lottery", under which patients are seen by professionals offering different standards of care.

Around 150,000 people die from cancer each year in the UK, and the aim is to cut this rate by up to 10 per cent.

Children of their time

Children's bedrooms have replaced the street as the popular place to play as fear of crime drives children indoors and parents are prepared to buy them their own TVs, video games and music systems, according to a study of 7-12 year-olds published today, *writes Diane Summers*.

Modern children are portrayed as conformist, fearful and home-centred. They also appear to have little time for reading books and are unenthusiastic about healthy eating, says the report's compilers, Handel Communications, the public relations company, and Carrick James Market Research.

The dark still figures prominently among children's fears, but war, bombs, guns and bullying seem to have replaced going to the dentist, horror films and ghost stories on the list of things that are most feared.

Top concerns for modern children are crime, bullying, child abduction, unemployment and homelessness, compared with main concerns 20 years ago of cruelty to children, cruelty to animals, nuclear war, old people living alone and drugs.

The New Generation: a report on attitudes and behaviour of primary school children. Handel Communications, 7 Hillgate Place, London SW12 9ER. £99.

Technology show picks London

The organisation which runs the world's largest information technology trade show has chosen London as the venue for its first venture into Europe. Comdex/UK will be held at the Earls Court Convention Centre in April next year. Comdex, now owned by the Japanese software group Softbank, is held twice yearly in Las Vegas in the US. It is the industry's major showcase, used by computer makers, software developers and semiconductor manufacturers.

Mr Robert Lively, responsible for international development for Softbank Comdex, said the UK market for IT was about $20bn annually; he saw the London show as a strategic entry point for mainland Europe. *Alan Cane*

Pension concession

Pension schemes will in future be required to take full responsibility for giving a divorced wife her entitlement to a former husband's pension, after the government announced a substantial new concession on the issue yesterday.

The concession, announced at the start of the House of Commons debate on the pensions bill, was the latest attempt by ministers to head off a growing row over the issue of pensions and divorce.

The move came as the government announced that it would not try to reverse its recent defeat in the House of Lords, the unelected chamber of parliament. This gave courts new powers to force a divorced husband to pass on part of his pension to a former wife on retirement.

The move, announced by Mr Peter Lilley, social security secretary, will mean that pension schemes will have to keep track of a wife's entitlement to maintenance over many years, even though a pension scheme may be lodged in her former husband's name. *James Blitz*

Pay increases 'average 6.9%' for directors

By Richard Donkin, Labour Staff

Directors and managers of companies had far bigger pay increases than other employees in the UK last year, according to a survey published yesterday by the Institute of Management.

The survey shows that directors had rises of 6.9 per cent on average, slightly up from their increase in the previous year. Managers' earnings rose 4.8 per cent in the same year.

The findings, which show increases in executive earnings well above average earnings increases of 3.7 per cent, will do little to reduce the public outcry against high pay awards to company chiefs.

Taking account of inflation, however, managers' gross earnings rose 1.5 per cent while directors were 3.6 per cent better off. Managers' purchasing power was diluted, however, because of tax increases last year. The report says increases of 6.8 per cent would have maintained parity.

Women managers received higher rises than their male colleagues, with 5.1 per cent on average, but women directors had smaller increases than men – 4.5 per cent.

The number of women managers is also on the increase again, after a fall in the previous year. Some 10.7 per cent of managers are women while the proportion of women directors has risen to 3 per cent.

The number of managers and directors receiving bonuses also rose. More than 60 per cent of directors received bonuses averaging almost £11,000 ($17,800); 44 per cent of managers had bonuses averaging nearly £3,200.

The institute says more than 50 per cent of UK managers now earn more than £30,000 a year and almost 76 per cent of directors earn more than £50,000 a year. The earnings of nearly one in five directors exceed £100,000.

The report identifies the average UK manager as a 43-year-old male earning £33,069 a year and driving a company car. The average director is a 48-year-old man earning £78,692 a year. Both have been with their company for 15 years.

Women managers earn £28,642 on average, about £5,000 less than their male counterparts, and women directors earn £56,446 on average. Women executives are eight years younger than their male counterparts, however, and tend to have been with their companies a shorter time.

Institute of Management National Management Salary Survey, Remuneration Economics, Survey House, 51 Portland Road, Kingston upon Thames, Surrey, KT1 2SH, UK. £380.

British Coal to sell fuels subsidiary

By Michael Smith

British Coal, the former operator of the coal industry, is today advertising the sale of its largest non-mining trading subsidiary, the last to be put on the market.

The disposal next autumn of British Fuels Group, a coal, oil and gas distributor, heralds the diminution of British Coal to a small residual company of an organisation that once employed 1m miners and other workers.

British Coal will employ fewer than 100 people by next year. Mr Ray Proctor, the finance director who has been in charge of disposal of non-mining assets, is leaving the corporation in June and Mr Neil Clarke, the chairman, is scheduled to go in December.

Hobart House, British Coal's headquarters by Buckingham Palace, is to be vacated in June next year. Grosvenor Estate Holdings aims to demolish or redevelop the building which it says is "generally regarded as undistinguished".

Potential buyers of British Fuels Group include British Coal's successor mining companies including RJB Mining, Mining Scotland and Coal Investments as well as two management buy-out teams. Anglo United, another coal company, may also bid.

With annual sales of about £500m, British Fuels Group has a bigger turnover than the combined total of the Scottish and Welsh coalfields which were sold last December.

The Harrogate-based company's three subsidiaries, BFL Coal, BFL Oil and Cawoods of Northern Ireland, employ 2,000 staff at more than 150 depots, offices and shops. Prospective purchasers can bid for one or more of the subsidiaries.

BFL Coal, which recently won the government franchise to distribute 460,000 tonnes a year of concessionary coal to former British Coal employees over three years, is the largest subsidiary. It has 1,300 staff and in the year to March 1995 made pro-forma sales of £257m.

BFL Oil, which employs 320 staff, buys and distributes petroleum products and buys and sells natural gas to about 1,000 customers at 2,400 locations. Cawoods, which has about 400 employees, buys and sells solid fuel and oil and last year had turnover of £73m.

British Coal hopes to complete the sale of British Fuels Group by the autumn, together with those of Centris, its concessionary fuel administration subsidiary, and Cinman, its investment manager for pension schemes.

FINANCIAL TIMES SURVEY

PHARMACEUTICALS

Tuesday April 25 1995

Deal makers seek calmer waters

There are signs that the course of corporate consolidations may have to change as the outlook for profits improves, says **Daniel Green**

The past 12 months have been an extraordinary period in the history of the world's pharmaceuticals industry. More than $60bn worth of corporate deals have been struck. Some companies have transformed themselves from diversified conglomerates into specialist healthcare suppliers. Others have simply grown larger, swallowing up less fortunate rivals.

But there are signs that the frenetic pace of corporate activity may be slowing. The number of takeover candidates is diminishing as consolidation progresses. The number of affordable mid-sized companies showing significant profits growth has shrunk, and the outlook for profits growth is improving once again as the threats of wholesale healthcare reform recede.

The trigger for the deal making was the fear that the profits growth to which the industry had become accustomed in the 1980s ending.

There were two reasons for this fear, one internal to the drugs industry and one relating to the environment in which it operates.

The internal reason was that many of the drugs that had produced rapid growth were reaching the end of their 20-year patent protection period.

These products had emerged from many of the biochemical discoveries of the 1960s. The subsequent wave of scientific advances, in biology in the 1970s, had not yet led to a flood of new biotech products.

Companies affected included Glaxo, SmithKline Beecham and Wellcome of the UK, Bristol Myers Squibb, Marion Merrell Dow and Syntex of the US, Switzerland's Ciba and others.

The external reason was that healthcare reform, or the threat of reform, was aimed at drugs companies and promised to cut their profit margins.

When President Bill Clinton took office at the start of 1993 one of his highest priorities was a reconstruction of the US healthcare system.

US healthcare spending had been growing faster than inflation for many years and was approaching $1,000bn a year, equivalent to 14 per cent of the US gross domestic product.

Although the cost of drugs represents less than 15 per cent of the total bill, drugs companies presented a clear target for government-inspired cost-control measures.

With the twin threats of patent expiries and government clampdowns on profits, the drugs industry moved quickly. Within months of the arrival of Mr Clinton in office, the drugs industry was shaken by a $6.6bn acquisition by Merck, then the world's biggest drugs company, of a drugs distributor Medco.

This triggered two copycat deals last year: SmithKline Beecham bought Diversified Pharmaceuticals Systems for $2.3bn and Eli Lilly bought PCS for $4bn.

Some companies were equally happy to spend billions of dollars but were less adventurous in their acquisition targets. Roche of Switzerland, American Home Products of the US and Glaxo of the UK paid almost $30bn between them smaller companies.

Others concentrated their efforts on boosting the research and development sides of their businesses. Switzerland's Ciba took a controlling position in one of the biggest biotechnology companies, Chiron of California. Glaxo paid more than $500m for Affymax, a mid-sized biotechnology company that has developed a new way of searching for promising drug candidates.

Then there were companies that grew at the other end of the scale, increasing their presence in the marketing of old drugs that have lost patent protection. The big German drugs companies, Hoechst, Bayer and BASF, were pre-eminent, each buying stakes in generic manufacturers.

And there were mavericks such as the UK's Zeneca, which bought into Salick Healthcare, a specialist operator of cancer clinics in the US.

Observers of the industry might be forgiven for being confused by this tangle of corporate strategies and tie-up.

But Steven Plag, of stock broker NatWest Markets, argues that whatever the shape and public rationale of the deal, the basic strategy is simple: to cut costs.

He points out that the sector is fragmented. Until Glaxo bought Wellcome, no one company had more than 4 per cent of the world market. The combined company still has less than 6 per cent.

As far as investors are concerned, cost-cutting can have a radical effect on a company's worth. Before Glaxo's £9.1bn bid for Wellcome in January, both companies were facing a slowdown or a reversal of earnings per share growth in 1997-98 as the patents on their top selling drugs expired.

The bid changed everything. Peter Laing, pharmaceuticals analyst with Salomon Brothers, the stockbroker, says: "We [now] expect compound annual growth of 7 per cent in earnings per share over the 1995-2000 time-frame. This is a much brighter outlook than we had previously thought possible."

Glaxo plans to have completed the integration of Wellcome within three years. The company regards this as moving quickly, but some of the recent deals make Glaxo's pace seem pedestrian.

Roche appears to have cut costs far more quickly in the wake of its acquisition of Syntex in the summer of 1994, closing sites and laying off workers within months. SmithKline Beecham has been similarly swift after its acquisition of Sterling Health around the same time.

Yet there are voices in the drugs industry arguing that huge acquisitions may not be the best way forward.

William Steere, chairman and chief executive of the third biggest US drugs company company Pfizer, argues that it is possible to cut costs and improve R&D without using an acquisition as an excuse to lay off staff.

"We've downsized across the company by, for example, combining financial services through Europe, through Asia and in the US," he says. "And we can rapidly introduce new technologies by surrounding ourselves with a ring of biotechnology alliances."

Alex Krauer, chief executive of Switzerland's Ciba, one of the world's top 10 drugs companies, has also cut costs without resorting to an acquisition. "We have had 10 per cent cuts in costs over the last two to three years and we will continue to cut costs."

Sceptics of the bid-based strategy can point to problems that acquisitions bring. Cash rich companies can become heavily indebted, limiting their room for manoeuvre if circumstances change. The benefits of buying distributors, in particular, have been diluted by the US Federal Trade Commission, which has insisted on walls of confidentiality between the drug-making and distribution sides of the businesses.

In any case, US health reforms appear to have stalled indefinitely as the Clinton administration turns its attention to the next presidential election next year. And while price cuts have been enacted in Germany, Italy and Japan – and more are possible – they no longer represent an unknown quantity.

No one is suggesting that the age of drugs industry consolidations is over. But there may be another way of doing it than the big bid.

Mr Krauer and Mr Steere believe friendly mergers are now more sensible.

"The best companies are prohibitively expensive to buy," says Mr Krauer. "We have a 2-2.5 per cent market share [of world drugs sales] now. If we bought what we could afford, we might get to 3 per cent. A merger is the way to get to 5 per cent."

Mr Steere agrees. "If we were to buy Upjohn [a mid-sized US company], it wouldn't make much difference. But a big merger could really change our market position."

The torrent of deals in the past 12 months may not yet be stemmed. But it may begin to take a different course.

IN THIS SURVEY

A look ahead to 2000

☐ The industry is heading for a split into two camps - the research-driven drugs companies and the diversified suppliers of healthcare

☐ BIOTECHNOLOGY: the importance of genetic engineering — Page II

☐ GENERICS: the industry, which is growing fast, may be one way of assisting the cost-cutting exercise

☐ PHARMACOECONOMICS: a new discipline and the dilemmas in searching for standards — Page III

☐ GOVERNMENT POLICY: FT writers describe how health policy relates to the pharmaceuticals industry

☐ LOBBYING: a spirit of communication, consultation and co-operation — Page IV

☐ Profile: US Food and Drug Administration

☐ Profile: European Medicines Evaluation Agency

☐ OTC MEDICINES: Into the mainstream — Page V

Pfizer forum EUROPE

Drug Budgets: The Hidden Costs of Control.

BY WILLIAM LOONEY

Fiscal and demographic realities are forcing European governments to replace the commitment to equity in the delivery of health services with a new strategy geared toward increasing efficiency and lowering costs. Central to this approach are policies to slash public spending on drug reimbursement. In a new study, a leading health policy analyst maintains that cost-containment mechanisms now fashionable not only fail to accomplish their intended objective, but could also harm the interests of patients and jeopardize prospects for innovative therapies.

Previous government-directed efforts to control drug costs through pricing constraints alone are now widely acknowledged as a failure. A European Commission official[1] recently noted that "most member states no longer believe that regulating prices is the long-term answer. They have seen the damage that it can create to their own industry and even to the social security system, because it fails to solve the problem."

The new policy focus is to repress reimbursement demand for medicines by limiting doctors' freedom to prescribe. European governments are using three principal tools to control costs: (1) reference pricing, by which national health authorities set a fixed amount that they will agree to reimburse for the purchase of a covered cluster of products, with patients and insurers paying for any excess; (2) restrictive formularies, or negative/positive lists, designed to exclude individual products or even entire therapeutic categories; and (3) global budgets, which allow governments to impose a ceiling on costs of reimbursing hospitals and patients on a fee-for-service basis.

Germany adopted the global budgets approach in 1992, but a University of Hannover study[2] suggests that the savings have been illusory. Physicians have responded by referring patients to specialists more frequently. In the first year, referrals were up 11%. In the following seven months, referrals increased 9%, causing health care costs to rise DM 1.329 billion, and a further cost of DM 1.5 billion in time/productivity losses, more than offsetting the government's projected DM 2 billion savings on prescriptions.

National formularies or negative lists have been adopted by virtually all European countries. Many now augment these with reference pricing rules to ensure the price of a listed product is the lowest for its therapeutic class. This approach also has its flaws. A 1993 US study by Moore and Newman[3] of restrictive formularies used by states to control their Medicaid costs, found the 13% average savings on drugs was completely offset by increased expenditures elsewhere in the system. A new study focusing on mental health patients in New Hampshire[4] found that per patient savings of $5 per month were negated by a $139 monthly rise in clinical and in-patient costs.

Evidence suggests that these cost-containment measures distort the pattern of patient care in ways that are wasteful and possibly unsafe, leading ultimately to a devaluation of the right to treatment — the fundamental social rationale on which government public health systems were founded.

For example, reference pricing schemes assign prices to products by grouping them into broad therapeutic categories, such as those with similar active ingredients. This encourages movement toward therapeutic substitution, and can lead to choosing the cheapest rather than the most appropriate therapy. Several UK patient groups have reported a rise in complaints about the quality of NHS-prescribed medicines, including painkillers and anti-nausea drugs.

Further progress toward controlling life-threatening diseases and improving the quality of life cannot be achieved without drug innovation. Cost-containment measures must be compatible with this goal, and take account of several facts: (1) Drugs are part of an interrelated system of health care — it is both short sighted and counter-productive to view them in isolation. (2) Newer drug-based therapies are both less invasive to the patient and more cost effective in a number of diseases, and can play a role in preventive care. (3) Empowering patients and their doctors through better information on therapy options can serve as an alternative to coercive controls. Ultimately, government must learn to trust the people and trust the market.

William Looney is the author of "The Hidden Costs of Cost-Control: Impact of European Drug Payment Reform on Access, Quality, and Innovation," shortly to be published by the Centre for the New Europe, Roularta Media Bldg., Research Park, De Haak B-1731, Zellik, Belgium. Tel: (322) 467-5730, Fax: (322) 467-5605.

1 Fernand Sauer, interview in *Pharmaceutical Executive* 1/93. 2 J. Shulenburg, et. al., University of Hannover, Institute of Insurance Studies, November 1993. 3. *Journal of Law and Economics*, 36: 71-97, 1993. 4. Soumerai, et. al., *New England Journal of Medicine*, 331 (10), 1994.

Daniel Green looks ahead to the pharmaceutical world in 2000

Healthcare vies with research

Question: What is the connection between US railroads and the pharmaceuticals industry?

Answer: Theodore (Ted) Levitt, the former editor of the Harvard Business Review and management guru, whose thesis on railroads is now being quoted by executives in drugs companies.

In 1960, Mr Levitt said that the US railroad declined because it was more interested in its products than its market; it forgot that its customers wanted transport, not trains.

Many in the drugs industry hear a message directed at them in his observation: after decades of concentrating on discovering and selling medicines, perhaps the key to further success is to recognise that patients want to be healthy rather than be given drugs.

Some of the industry's biggest companies have in the past year spent billions of dollars in transforming themselves into healthcare providers rather than just purveyors of drugs.

Sandoz of Switzerland is the latest convert to the creed. Daniel Vasella, the new chief executive, says that Sandoz is about to turn itself into a healthcare company.

Last month it said it would sell its chemicals division. The decision was momentous because Sandoz started life in the last century as a chemicals company. "This is the grandmother business [of the company]," says Marc Moret, Sandoz's chairman.

The chemicals sale will be followed by further disposals of the agriculture and construction chemicals, says Mr Moret.

That would leave Sandoz with core businesses in pharmaceuticals and nutrition. This combination would allow the company to create both preventive treatments in the guise of nutrition, and curative therapies in the form of drugs. It already has in advanced development, a nutritional formula designed for patients in hospital intensive care wards.

Sandoz is not alone in taking this route. Perhaps the greatest transformation towards a business based on healthcare was made over the past year by SmithKline Beecham of the UK. In an extraordinary series of deals, it bought a distribution arm in the US, Diversified Pharmaceuticals Services, strengthened its over-the-counter medicines operation with the acquisition of Sterling Health, and sold its animal health business to Pfizer.

Jan Leschley, chief executive, says that these deals have left SmithKline in core businesses – drugs, consumer healthcare and clinical laboratories. This combination "provides the keys to building leadership in the four cornerstones of human healthcare – prevention diagnosis, treatment and cure".

Yet more companies are turning themselves into healthcare providers. They include Merck of the US, which blazed the trail in 1993 with the $6.6bn acquisition of drugs distributor Medco. Fellow US company Eli Lilly followed SmithKline Beecham in buying a drugs distributor, and the UK's Zeneca agreed in December 1994 to spend almost $500m for a 50 per cent stake in Salick Healthcare, a Los Angeles-based operator of specialist cancer clinics. Zeneca is a world leader in the production of cancer drugs.

There is more to this strategy than agreeing with Mr Levitt's critique of railroad management. Spending on drugs accounts for perhaps 10 per cent of the total healthcare bill in developed countries. By breaking into other parts of healthcare, these companies hope to tap a much bigger market. Instead of slicing up the relatively small medicines cake, they could grow into the healthcare market worth $1,000bn a year in the US alone.

The argument may look compelling, but there are some companies that have eschewed the healthcare provider route.

Most want to stay as pure drugs companies. They argue that whatever the structure of the healthcare industry, there will always be a need for genuinely innovative drugs.

The biggest member of this group is Glaxo Wellcome, now the world's biggest drugs company. Glaxo's £9.1bn purchase of Wellcome this year was affirmation that it sees its future in the discovery and marketing of new drugs.

Also prominent is Astra, the fast-growing Swedish company. In March it bolstered its research and development side by paying SKr2.3bn for Fisons R&D operations and drugs development pipeline.

In the US, this strategy is being most earnestly followed by Pfizer. Last month, it renewed its commitment to research as the top priority by signing a series of deals with biotechnology companies under the Pfizergen scheme.

The company has not expanded beyond its traditional core businesses of healthcare products into distribution and delivery because it has a strong portfolio of drugs on sale and in research.

"We think there are enough unmet medical needs for us to bet the company on this strategy," says William Steere, chief executive.

Thus the pharmaceuticals industry of 2000 should be split into two camps: the research-driven drugs companies and the diversified suppliers of healthcare.

There are likely to be a few mavericks. Ciba of Switzerland, for one, is determined to remain a drugs company that also makes industrial products such as aircraft components and agricultural products such as pesticides and seeds.

Alex Krauer, chief executive, says simply that just because many other companies are concentrating on drugs or healthcare, that is no reason for Ciba to follow.

Mr Krauer says that while Sandoz may have admitted that its diversified portfolio is too complicated to manage, he does not have that problem. Rather the reverse: industrial and agricultural product sales provide valuable cash flow for the drugs side.

But he is in a small minority in the industry and faces opprobrium from stock market analysts for failing to release the value of the separate businesses to shareholders.

Yet he may have the last laugh. Ted Levitt's thesis that the railroad industry would have been saved by diversification has been blamed for helping trigger the corporate enthusiasm for diversification in the 1960s. That is now condemned for overstretching management resources, creating bloated infrastructures and leading eventually to widespread sell-offs of non-core businesses.

Ciba knows how to manage its diversified holdings. The likes of SmithKline, Merck, Eli Lilly and Zeneca have begun to climb the learning curve.

Drugs industry in 2000[1]

Research-driven drugs companies	Research-driven medical products companies	Research-driven healthcare companies	Unreconstructed conglomerates
Glaxo Wellcome	Pfizer	Merck	Ciba
Astra	Sandoz	Eli Lilly	Hoechst[2]
Amgen	Roche	Smithkline Beecham	Bayer
Rhone-Poulenc Rorer	Bristol Myers Squibb	Zeneca	BASF

[1] This table is not intended to be comprehensive. [2] Reorganisation possible.

How different is biotechnology? asks **Clive Cookson**

Essential engineering

Cell evaluation in the laboratory by Celltech of Slough, Berkshire

Is there still a clear difference between the biotechnology and pharmaceutical sectors?

On the corporate and financial level, the two sectors remain reasonably distinct. Almost all biotech companies are less than 15 years old and most retain the corporate culture – and the negative cash flow – of start-ups. All the international pharmaceutical groups, in contrast, are at least 50 years old – and hugely profitable.

Only Amgen, the Californian star of the biotech industry, is achieving the financial profile of a big pharma company, through its best-selling blood factors, Epogen and Neupogen. Others, such as neighbours Genentech and Chiron, may be on their way there. But most of the world's 2,000 or so biotech companies will remain tiny niche players, at best.

Whereas the big pharma groups command immense financial resources, the typical biotech company is burning cash on research and development – and will run out within a couple of years unless either it can raise more money from investors or do a collaborative deal with a wealthy drugs company.

On the scientific and medical level, however, the distinction between pharma and biotech has become very blurred. Originally, biotech companies concentrated on large biological molecules while the pharma industry produced small synthetic molecules. Now the two pursuits are thoroughly intertwined between the two sectors.

Of course biotechnology, defined broadly as the industrial use of micro-organisms, has its roots deep in prehistory, through the use of yeast to convert sugar into alcohol, bacteria to make yoghurt from milk, and so on. Drug companies have been making antibiotics and vaccines in microbial cultures for many decades.

But the modern biotech era began with the discovery of "recombinant DNA" – the technical term for genetic engineering. In 1973, Stanley Cohen of Stanford University and Herbert Boyer of the University of California, San Francisco, discovered how to splice genes from other species into bacterial cells, which then made millions of identical copies or clones of the foreign DNA.

Today, genetic engineering is used daily as a laboratory tool by every research-based pharmaceutical and biotech company. This routine use of recombinant DNA for R&D is as important as the better publicised applications: producing new drugs by genetic engineering, treating patients by gene therapy, and creating transgenic plants and animals.

How do researchers use genetic engineering as a tool? They splice genes into micro-organisms (bacteria or yeast) or cells in culture, which then produce large amounts of the corresponding human proteins – potential targets for new drugs. They may, for example, make an enzyme to determine its three-dimensional structure through X-ray crystallography; this structure could then be fed into a computer to design molecules of the right shape to block the enzyme. This is done both in traditional pharmaceutical groups and in young companies such as Agouron and Vertex in the US, which are regarded as "biotech" although they are developing small molecules for production by synthetic chemistry.

Researchers are also using genetic engineering routinely to make human proteins as targets for drug-screening systems. This hit-or-miss method of drug discovery – testing large numbers of compounds in the hope of finding one with the desired pharmacological activity – has had a new lease of life recently through a technology called combinatorial chemistry that enables scientists to make (and keep track of) millions of molecular variants. Again, combinatorial chemistry is an active pursuit of the pharmaceutical industry and of specialist start-ups.

Such tools are intended to help find therapeutic small molecules. In contrast, the traditional biotech drug – if tradition is an appropriate word for such a young industry – is a large protein molecule produced by genetically-engineered organisms. Examples include hormones such as insulin and human growth hormone, blood factors, and immune stimulants such as the interferons and interleukins.

The same technology gives us genetically-engineered vaccines, such as the hepatitis B vaccine, which contain "antigenic" proteins produced by viral genes in yeast or mammalian cells. These are safer than traditional vaccines containing whole virus, whether live or killed.

Already, however, biotech researchers are looking forward to the stage beyond these protein drugs and vaccines, which have to be purified and injected into the patient. Many believe the future lies in inserting DNA directly into human cells in the body, which can make the therapeutic protein (or vaccine) in situ where it is needed – an approach known generally as gene therapy.

In agriculture, too, genetic engineering has a wide spectrum of applications, both in traditional agrochemicals companies and in biotech start-ups. Genetic engineering is a tool to help find chemicals that protect plants better against disease; it can be used to produce protein toxins as an alternative to synthetic insecticides; and plants can have genes added directly to resist infection and/or change their character.

"Genetic engineering is absolutely essential for us," says Dr François L'Eplattanier, head of R&D for Ciba of Switzerland. "If we were not active in genetic engineering, we would be out of the game entirely by the beginning of the next century."

Every pharmaceutical research director would have similar sentiments – and they will be the salvation of the cash-starved biotech sector. Every international drug company is simultaneously building up its expertise in genetic engineering and its pipeline of new products, through in-house research and a network of R&D alliances and investments in biotech companies.

GENERICS: **Alan Archer** examines the industry's growth

The global solution to cutting costs

Far less well known than its brand name opposition and also less understood, the world's generics industry, with sales of $14bn in 1993, has had an upsurge over the past 18 months. The drive by government health departments worldwide to cut costs and reduce healthcare budgets has put considerable pressure on the drugs bill.

In many countries the generic solution has been seen as a way to assist this cost-cutting exercise. The US is the biggest generic market followed by Europe, which is dominated by Germany, the UK, Denmark and the Netherlands. But it is noticeable that the generics market is spreading on a global scale with the Australian and New Zealand governments indicating the preferred use of generics. Even the government in the Philippines is proposing to promote the use of generics.

According to the Philippines Generic Drugs Association the generics market in 1994 took a 13 per cent share of the market, compared with the 10 per cent in 1993. However, it seems that it is the brand name companies, rather than the independents with their far greater resources, overseas experience, and new-found familiarity with generics, that appear to be taking the lead in global expansion.

The cost containment measures have caused a batch of acquisitions with the drive being led by German companies. Hoechst purchased 51 per cent of US-based Copley Pharmaceuticals for $546m, Bayer took 28.3 per cent of another US company Schein Pharmaceutical, and this month the remaining German leading drugs company, BASF, set up its own generics unit by taking a share in US company Ivax.

There is a case of *déjà vu* between the smaller prescription drug companies and the small and mid-sized US and European generics companies in that they lack the distinctive products or critical mass – resources, breadth of product line and marketing clout – necessary for success and will struggle to carve out roles for themselves, particularly in Europe, and therefore the market will consolidate.

At present, companies in the US are not under so much pressure to go overseas. But this is not the case in Europe where the small and mid-sized companies that dominate most local generic markets need to expand beyond their borders to achieve critical mass and diversify political risk. The US generic market is the most active market and is worth about $5bn. It has recovered well from the significant scandal in the late 80s that called for a year-long government investigation of the industry, producing charges of bribery, fraud, drug-switching and favouritism.

"The US industry is now one of the most profitable in the world with margins of 10 per cent/20 per cent," said Jay Molishever, director of public affairs at the US Generic Pharmaceutical Industry Association (GPIA). "However, we will see continued consolidation of the US generics market," he added. "The generic upsurge has been helped by the massive infusion of new products with some of the biggest drugs in the pharmaceutical industry losing their patents."

Top 10 US pharmaceutical companies by prescription

Company	US prescriptions (000s)*	% change
MMD/Rugby	116,291	–6
CibaGeneva	106,749	9
BMS/Apothecon	97,966	3
AHP/ESI	95,565	1
SmithKline Beecham	75,435	–1
Mylan	72,266	27
Merck	65,504	3
Schering Plough	62,484	13
Johnson and Johnson	58,408	4
Lilly	57,905	0
Top 10 total	**808,573**	

* Year to date November 1994 — Source: IMS

At the recent Financial Times world pharmaceutical conference Charles Lay, president and chief executive officer of CibaGeneva Pharmaceuticals, said in 1992 to 1995 60 products valued at $13.5bn are due to come off patent and in 1996 to 2000, a further 40 products with an estimated value of $12m are due to lose their patent protection.

Ciba-Geigy whose Geneva Pharmaceuticals in the US is the second largest generic company has installed its own innovative healthcare strategy known as the "Keystone Project" analysing the healthcare market and identifying opportunities to fully utilise the strengths of its healthcare business.

Ciba has taken the decision to merge its brandname and generics sales and marketing forces into a single unit. Richard Barth chairman, president and chief executive officer of Ciba-Geigy Corp, said: "It will give customers convenient access to one of the broadest in-house manufactured lines of branded and generic pharmaceuticals."

Geneva has also begun the first stage of a five-year expansion/modernisation plan for its generic drug business. The $52m project includes improvements for manufacturing, quality assurance, customer service, development and administrative operations.

By 2000, Geneva's annual capacity will expand from 4b to 12bn capsules and tablets. In the UK, figures recently published clearly point to the government's drive towards generic prescribing. A spokesman for the Association of the British Pharmaceutical Industry (ABPI) said that the level of generic prescribing in the UK was on an upward trend. In 1992 it was 43 per cent, in 1993 46 per cent, and up to 51 per cent in 1994. However, he pointed out the level of prescriptions dispensed was somewhat down on these figures at 35 per cent in 1992; 38 per cent in 1993 and 40 per cent in 1994.

Taking a different approach to its introduction into the generics market BASF has set up a European generics company operation. Speaking in Ludwigshafen recently to launch BASF's new strategic realignment of its pharmaceutical operations, Gerhard Wolf chairman of the supervisory board at Knoll AG, said: "We cannot and do not want to ignore the generics market which has above-average growth rates of more than 10 per cent. We cannot turn a blind eye to this market," he said.

BASF has been working on entry to the generic market for the past 12 months. It has created a good basis for entry by purchasing second registrations and dossiers for Germany with use rights for all countries apart from Japan and building up the newly-founded BASF Generics and acquiring the generics business of Sagitta Arzneimittel.

"We think this is a sound foundation for our market entry," said Mr Wolf. The latest boost to its generics business is the 50/50 joint venture it has just signed with Ivax Pharmaceuticals, the leading generic company in the US and UK.

Dr Thorlef Spickschen, head of the pharma operating division of BASF and chairman of Knoll AG, said: "The aim of the Ivax joint venture is to expand our business in Europe. In a relatively short time we have become the No 1 in the US and UK, the two biggest markets in the world."

The joint venture will operate in the German market first and then advance into other European markets. "We also want to be in right at the beginning of the new French generic market, which we feel is imminent, as well as the Spanish, Portuguese and the Italian markets," said Dr Spickschen.

"The major cost benefits and product improvements that come from our new patented extrusion technology will also give us important competitive advantages in the generics segment," added Dr Spickschen.

Many industry observers firmly believe there will be further consolidation and integration in the generic industry. Generic companies need the large ethical manufacturers to provide the funding for research in order to develop the big selling drugs for their new opportunities.

The once cut-throat traditional rivalry between the two groups is rapidly declining as both groups seek to explore new kinds of relationships. There are, however, several leading brandname manufacturers, such as Glaxo Wellcome and Pfizer, that have so far refrained from entering the generics sector.

Alan Archer is Editor of Financial Times newsletters, Pharmaceutical Business News and Biotechnology Business News.

Cost-benefit analysis

A game that has no rules

JENNY LUESBY looks at a new discipline and considers the dilemmas in searching for standards in pharmacoeconomics

Clinicians' desire to choose the most efficient treatments, so as to free funds for more marginal therapies, has given birth to a new discipline – with little discipline – in the form of pharmacoeconomics.

As a science aimed at calculating the economic gains of using one treatment over another, it is proving fraught with problems: caused mainly by a lack of standards.

Each pharmacoeconomic study is an ad hoc mix of existing research on clinical benefits, empirical data on financial benefits and theoretical models of the economic implications of different treatments.

There are few norms in deciding how wide to cast the net in the search for financial gains. And where a monetary value is assigned to changes caused by a drug, it must be done in the absence of standardised conversion factors.

It is against this background that the US Food and Drug Administration last month issued draft principles for a regulatory approach to assessing pharmacoeconomic studies.

"The FDA cannot afford to be a referee in a game that has no rules," said Janet Woodcock, director of the FDA's Centre for Drugs Evaluation and Research.

The draft promises a rigorous examination of the assumptions made in pharmacoeconomic studies, and requires that any claims made on the basis of such studies should be substantiated. But its emphasis is on preventing unproven claims, rather than on laying out a framework to facilitate comparisons.

This leaves the pharmacoeconomists, and the interpreters of their studies, with a number of dilemmas to address, perhaps the most important of which is the appropriate scope of such studies.

Confining studies to the benefits for healthcare institutions produces the most clear-cut results, and in Australia, the regulatory authorities require such assessments as part of the drug approvals procedure. But this limit can be to the detriment of the patient, argues Dr Joseph Jackson, executive director of outcomes research at Bristol Myers Squibb.

"Concentrating on short-term transactions, such as doctors' services used and hospital stays, produces outcomes that are driven down in favour of very minimal care – the sicker and quicker drive to discharge patients," he says.

"In deciding what benefits matter, you have to decide what your goal is. If it is good population health, working out the best way to get to that includes the utility to patients and benefits to society."

Considerations such as these have seen pharmacoeconomists undertaking a growing number of quality of life analyses. These might include the financial benefits of a reduced absence from work, but might also seek to quantify reduced levels of pain, incapacity or anxiety.

Studies sometimes need to consider longer-term and indirect benefits as well, such as the reduced chance of a recurrence of illness – which would, ultimately, generate savings for both the healthcare provider and the patient. For vaccines, this type of gain can be the sole reason for incurring a cost.

However, as the scope of a model widens, so too do the margins of error. Brave is the pharmacoeconomist who announces that using a particular drug confers six more hours of migraine-free time a month. And placing a financial value on those hours is an even more perilous affair.

The FDA proposes dealing with these problems in several ways. It would require any pharmacoeconomic analysis to state whether it has been designed from the viewpoint of the patient, the payer, society or any other party.

This, it says, would allow readers of the analysis to understand the rationale for the selection of costs and benefits. It would also require sensitivity analyses where theoretical modelling has been used, to show what margin of error there might be on any one variable, and how much difference changing that variable would make to the overall outcome.

If the net financial gain in using a treatment disappears with the loss of a migraine-free hour, it is important for the reader to understand the importance of that variable to the final claim.

Healthcare buyers are anyway getting more information about the assumptions made in a study, through both journals and databases.

But it is not feasible for healthcare buyers to go through the fine print of every pharmacoeconomic study, and even if they did, many would not be in a position to judge the limits of a particular methodology, says the FDA.

The FDA draft proposes that the basis of any conclusions on the resources affected, and monetary valuations, should be clearly explained in studies, and it promises to examine the validity of the assumptions made. It also requires that modelling should only be used when it is impracticable or impossible to gather data directly.

This leaves open the question of what constitutes impracticable.

Empirical data on costs collected prior to a drug's approval would include the unusual costs associated with clinical trials. This would need to be accurately discounted for the results to be meaningful.

Such a study would also need to draw on a far greater sample than a clinical trial, which is normally confined to observing the clinical effects of a drug versus a placebo. A study on comparative economic outcomes needs to assess the costs of various treatments, in all the circumstances that arise in everyday practice.

These problems have tended to push drug companies towards theoretical modelling in assessing the economic effects of their drugs.

A better approach, says Dr Jim Attridge, head of economic affairs at Zeneca, would be to conduct empirical studies after approval. This would also remove pharmacoeconomic claims as a potential obstacle to approval.

But it would leave drug companies without information on the cost-effectiveness of a drug at its launch, and, possibly, for several years afterwards. Moreover, the role of the regulatory authorities in assessing the accuracy of retrospective studies is still very unclear.

The FDA draft is now out for discussion, and it could lead to ensuring the scientific rigour of pharmacoeconomics. But an in-depth understanding of the methodology looks set to be a requirement for some time for any reader who wants to be sure they are comparing like with like.

UNITED STATES

Competition stabilises prices

US pharmaceutical manufacturers dodged a bullet last year when President Bill Clinton's plan to reform the US health care system withered and died – and with it a proposal to impose price controls on drugs.

But the price discipline the government failed to impose is taking effect anyway in the market place.

Labor Department statistics show pharmaceutical prices rose by just 0.9 per cent in 1994, the lowest annual increase since national price controls were last in effect under President Richard Nixon, 20 years ago, and just one third of the overall rate of inflation last year.

Some health care lobbying groups dispute the statistics – samples of some of the top-selling drugs can show much steeper price increases – and others say that the pharmaceutical industry was only forced into a rare display of self-restraint in a panic-stricken attempt to ward off price controls.

Government health policy

FT writers describe how health policy relates to the pharmaceuticals industry in which it is evolving

But Stephen Conafay, executive vice-president of the Pharmaceutical Research and Manufacturers of America trade association, said the lower rate of increase reflected "intense price competition driven by managed care groups, which now account for a majority of prescription drug expenditures in the US".

Many large companies, which are the biggest providers of health insurance in the US, are switching to managed care formulae such as health maintenance organisations, which charge a flat fee for all health care and thus have an incentive to keep costs down by primary and preventive care and tough price bargaining.

The new Republican majority in Congress has no comprehensive health care reform plan yet.

However, it is looking in the direction of managed care as a way of bringing the costs of government health programmes such as Medicare and Medicaid under control.

George Graham

UNITED KINGDOM

Struggle to keep down the cost

Drugs sales in the UK are rising faster than in any other developed country except the US.

The UK spends about £50 on drugs per person each year, still well below, for instance, the £82 spent in the US and the £100 in Italy.

However, the government's Pharmaceutical Price Regulation Scheme (PPRS) has struggled to keep prices down. The PPRS allows drugs companies a return on capital employed in the UK of about 20 per cent. In 1993, companies were also made to cut drugs prices by 2.5 per cent.

The PPRS lets drugs companies set prices, within limits. In countries such as Germany and Italy, governments set prices. Ideally, the PPRS keeps prices down while helping UK companies finance research and development. After all, this is an industry in which the UK runs a trade surplus with Japan.

Nevertheless, some commentators claim that drugs companies are so international, and so good at accounting, that they are usually able to show UK profits below the limits set. Companies argue that price cuts could hurt their medicines research.

Some government measures may be working. The new fundholding GPs, who control their own budgets, tend to prescribe generic rather than expensive "name" drugs. GPs are responsible for the bulk of UK drugs spending.

Ms Alexien Isaac, a pharmaceuticals analyst at Panmure Gordon, said: "Drugs companies can no longer obtain price increases on older products."

But without radical attempts to control prices, NatWest Securities forecasts about 10 per cent annual growth in the UK drugs market this decade. That could give the government a headache – unless rising drugs spending saves money in the rest of the National Health Service.

Simon Kuper

GERMANY

Spending on drugs drops

Most Western countries have tackled drugs spending. Germany has done better than most.

It had little choice. Germany's population is ageing faster than the European average, reunification created huge costs, and German drugs prices were among the world's highest. Reforms began in 1989, with reference prices for drugs with the same substance.

But the government's most radical measure came in 1993: a national prescribing budget for doctors.

They were told they would have to pay part of any excess spending themselves. Also, drugs prices were cut by 5 per cent, and patients were made to contribute more to the cost of their medicines. The doctors' drugs bill dropped 15 per cent in 1993, twice the fall for which the government had budgeted.

But hospital drugs spending, exempted from control, rose by the same proportion: doctors were hospitalising patients rather than paying for their drugs. Referrals to hospital rose fastest for illnesses which required a lot of medicine, such as asthma and ulcers.

Thus, total drugs spending fell just 5 per cent in 1993, enough to prompt many German drugs companies to shift investment abroad.

But in 1994 the domestic market recovered by 6.5 per cent – it could hardly have fallen further, with prescription volumes already so low. Germany now spends £95 on drugs per person per year, less than France and Italy.

The government is considering giving doctors individual budgets encompassing all costs, not just those of drugs.

Ms Susan Haylock, a European pharmaceuticals analyst at NatWest Securities, forecasts 8 per cent annual growth in the German market for the next few years.

Simon Kuper

FRANCE

Comfort medicines boost the pill bill

France has the lowest drugs prices of any principal market, but the French take five times as many pills as the British.

France therefore spends £110 on drugs per person per year, more than the US and more than double the UK. The volume of drugs prescribed has been rising by 11 per cent a year.

The French government would have to change a culture to reverse the trend. Instead, it issued prescribing guidelines last year to help doctors use drugs rationally.

One area for savings is the "comfort" medicines commonly prescribed in France. These do no actual good, but please patients.

Doctors breaking the guidelines are liable for fines of up to $2,500.

The government last year began signing individual contracts with drugs companies to limit drugs prices, volume, and promotional spending. It hopes these contracts will cover nearly all French drugs companies by the end of 1995. And patients now have to pay up to a quarter of the cost of their treatment.

These measures have hardly had time to bite. Ms Susan Haylock, a European pharmaceuticals analyst at NatWest Securities, reported: "The fact that pharmaceutical sales growth fell from 6 per cent in 1993 to just 3 per cent in 1994 . . . mainly reflected a very mild cold and flu season."

The French use lots of antibiotics. More reforms may follow the presidential elections this spring.

But as the earlier reforms take hold, companies may concentrate on developing innovative products which command a price premium.

This would gradually raise the price of French drugs to the international average. The attempt to curb drugs spending could boost the industry.

Simon Kuper

LOBBYING GOVERNMENT: **Claire Wilkinson** reports

Talking down barriers

The pharmaceutical industry is subject to such stringent regulatory controls, that, more than most other industries, it finds cause to lobby government on a regular basis. Lobbying is by tradition defined as a means of responding to problems. However, the UK-based industry is now approaching lobbying in a spirit of communication, consultation and co-operation.

As Ben Hayes, director of public affairs at the Association of the British Pharmaceutical Industry (ABPI), says: "Lobbying is not about twisting arms or gin and tonics. It's not simply about saying 'We're industry this is what we want, that's it'. It's actually about the business of saying to people 'Do you understand what we do and how we do it?'."

The Pharmaceutical Industry Strategic Working Group, set up about two years ago by the ABPI, brings together representatives from industry and various government departments such as the department of health (DoH), the department of trade and industry (DTI) and the Treasury to discuss "cross-industry, cross-government issues of common interest". The working group meets around four times a year, and is an industry-led attempt to "get government and politicians generally across the board to think long term so that we as an industry can work sensibly and plan sensibly for 20 years ahead, rather than in the short term", he says.

With drugs taking anything up to 10 to 12 years to reach the market, the financial advantages of adopting a long-term view are clear. According to figures published by the Central Statistical Office (CSO), the UK is the fourth largest exporter of drugs in the world, accounting for about 12 per cent of international trade annually, and in 1992 a total of £2,993m pharmaceutical products were exported from the UK.

As Mr Hayes explains, "We bring employment, economic success and exports to a country which at the moment is struggling in terms of its industrial base. Despite all the recessions, we have survived and gone on being successful and we've said 'if you want us to go on being successful then we have to sit down and think long-term'."

Improved relations between government and industry have resulted in a combined initiative to promote the UK as an attractive base for foreign companies. "We are going out to Japan and the US biotech companies to sell the UK as the place to be for the future," he says.

The issue of inward investment is an increasingly important part of lobbying for foreign industry associations such as the London-based American Pharmaceutical Group (APG), which represents some 14 US companies operating in the UK.

Dick Bailey, chairman of the APG, says: "Our programme is to have private meetings with people who are in the seats of power or at least very close to it and we tell them that the measure they're thinking of introducing or that they might introduce would be highly damaging or dangerous to inward investment prospects."

Like the ABPI, the APG sees lobbying as an exchange of information between industry and government, aimed at prevention rather than cure. "It's not lobbying at all, it's a dialogue with government where we talk about controls that are necessary before they're even developed, rather than being faced with a fait accompli and having to be in a confrontational mode with government," he explains.

In recent years, industry campaigns have focused on issues including the Limited List and NHS reforms, generic substitution and patent protection. But with how much success? Proposals to extend the Limited List of NHS medicines across another 10 categories, put forward by the government at the end of 1992, so far have resulted in announcements in only about five categories.

"While it's certainly not been without damage, it has been an exercise in damage limitation, because the potential damage was far harder," says Mr Hayes. "That's not to say it's gone away. Clearly, as long as there's this Limited List hanging over a category, there's a disincentive for a company to bring on a new product."

Likewise, Mr Bailey suggests, "Without having had assurances from government specifically, I would say that I'd be very surprised if the government went further down that road. We've been quite successful in pointing out that it's very bad for innovation, very bad for investment because companies will signal their disapproval by going elsewhere, and it doesn't save much money."

In the case of generic substitution, however, the industry claims a more clear-cut success. In February 1994, Dr Brian Mawhinney, then minister for health, told a House of Commons health committee he proposed re-opening talks with doctors aimed at increasing the proportion of generic drugs dispensed under the NHS. Existence of the Working Group enabled the ABPI "to use dialogue through established channels to go back to the DoH and other departments and say 'Do you realise the potential this has?'". As a result, Virginia Bottomley, the health secretary, announced at the FT World Pharmaceutical Conference in March 1994, that the government was not going to pursue the issue of generic substitution. "It's another example of simply explaining to them what they're doing," says Mr Hayes. "Once you start talking to people you break down barriers, and you suddenly realise that you're not on the other side of the fence at all." You're coming from a different direction, but a huge amount of your agenda is absolutely the same."

Claire Wilkinson is a writer on the FT newsletter World Insurance Report.

JAPAN

Japan strives to curb costs

Thirty years from now Japan will have the world's oldest population. It already has the world's highest drugs prices, and the government foresees an expensive problem.

Japan began trying to cut drugs prices 15 years ago, at a time when its drugs market was as large as that of the US. The prices of some medicines fell by more than half in the 1908s.

The government has in recent years cut prices every other April – in 1994 by 6.6 per cent. It is also trying to find ways to tackle doctors, who buy most drugs from companies at a discount but charge the government the full reimbursement price.

Japanese companies, which dominate the domestic market, coped with last year's price squeeze by reducing costs and concentrating on developing drugs which command high margins at home. Japan's Ministry of Health and Welfare offers high premiums for supposedly innovative medicines.

However, since these are also taken to include "me toos" – copy-cat drugs that differ only marginally from the original product – many Japanese products sell poorly abroad.

In drugs, Japan runs a trade deficit with the European Union.

Robin Gilbert, a pharmaceuticals analyst at Panmure Gordon, says: "None of the domestic drugs companies have moved out of Japan successfully."

Only four Japanese groups generate more than 10 per cent of their sales abroad. Mr Gilbert believes the companies may be too small to finance enough research and development to compete internationally. And the mergers taking place among drugs companies elsewhere have not been replicated in Japan.

Meanwhile, foreign companies are making headway in Japan.

They may be the ones to profit from the country's elderly.

Simon Kuper

هكذا من الاصل

PHARMACEUTICALS V

US FOOD AND DRUG ADMINISTRATION

Caution attacked

A new Republican majority took over Congress in January determined to slash government bureaucracies down to size. One of its favourite targets in this crusade is the Food and Drug Administration, the US agency which oversees the safety and effectiveness of pharmaceuticals, medical devices and many foodstuffs.

"If a murderer kills you, it's homicide. If a drunk driver kills you, it's manslaughter. If the FDA kills you, it's just being cautious," runs an advertisement by the Washington Legal Foundation, one of a host of conservative think tanks and advocacy groups which have launched a virulent assault on the agency.

Dr David Kessler, the FDA's commissioner, has not escaped the attack. Newt Gingrich, the new Speaker of the House of Representatives, has called *him "a thug and a bully"*.

This is tough talk for an agency with a distinguished record of saving the US from disasters such as thalidomide, which slipped through the looser mesh of British and German drug licensing procedures. The FDA is required by law to approve drugs that are not only safe but also effective – a higher standard than many other countries' drug agencies.

It is especially curious as Dr Kessler, a lanky and unsmiling physician, was appointed in

David Kessler: has made enemies in the industry

the Republican administration of President George Bush. He stood side by side with vice-president Dan Quayle, the Bush administration's chief deregulator, to announce plans to cut the time it takes to license a new drug.

Kept in office by President Bill Clinton, Dr Kessler now finds himself under fire because the FDA still takes longer than many other countries to issue a licence.

"I am suggesting that the bureaucratic culture of caution and delay has produced a situation where avoidable loss of life and health occurs every day," said Congressman Thomas Bliley, chairman of the House commerce committee, at a recent set of hearings on the agency.

The boot has changed feet from the last session of Congress, when Dr Kessler took the prosecutor's role in a series of hearings intended to sound out whether nicotine was an addictive drug which the FDA should therefore regulate.

Indeed, Democratic congressional staff suggest that it is the tobacco hearings that have fuelled Mr Bliley's zeal to overhaul the FDA, since the Virginia congressman is the tobacco industry's staunchest defender in Congress.

But Dr Kessler has made other enemies in industry with his activism at the FDA: tough action to ensure that US blood stocks are free of the Aids virus, a swift move to stop the use of silicone breast implants, strict constraints on the health claims that makers of vitamins and nutritional supplements may make for their products, detailed new criteria that food companies must satisfy before calling their products "healthy" or "light".

The FDA has not stood still under fire. It has already been at work to cut applications backlogs, and claims to have lowered the median approval time for new drugs to 19 months last year – and much lower for breakthrough drugs or drugs with life-saving potential.

George Graham

OVER-THE-COUNTER MEDICINES: **Peter Mansell reports**

Into the mainstream

Medicines sold over-the-counter (OTC) are no longer a minority taste in the pharmaceutical market. Just as brand-name manufacturers have swallowed their pride over generics, the constrained environment of recent years has pushed drug companies closer to the sharp end of healthcare: the consumer.

OTC products are a divergent breed, part medicines and part fast-moving consumer goods. In the past, drug strategists with loftier aims have kept their distance. Yet even Glaxo, which has long-eschewed the OTC sector, eventually recognised the economic logic of extending the lives of older products in the OTC market, linking up with Warner-Lambert in July 1993.

Glaxo secured a second point of entry by acquiring Warner-Lambert's other OTC partner, Wellcome.

The merger capped nine months of deals that are reshaping the non-prescription market and drawing it increasingly into the pharmaceutical mainstream.

The trigger point was SmithKline Beecham's $2.9bn acquisition of Sterling Winthrop's OTC business from Eastman Kodak last August. Within two weeks the North American components had been sold on to Bayer for $1bn. Ciba then paid $407m for the North American OTC assets of Rhone-Poulenc Rorer.

Diversification into OTCs is largely a response to three trends: governments bent on reining in drug costs are removing reimbursement from non-essential medicines; consumers are showing increasing interest in, and willingness to take responsibility for, their own health; and a number of big-selling drugs are reaching the end of their patent term.

Companies with a foot in both the prescription and OTC camps can start thinking about extending a product's life cycle through conversion to OTC status – what Harry Groome, chairman of SmithKline Beecham Consumer Healthcare, calls "managing the molecule".

So are OTC medicines a safe haven in a turbulent pharmaceutical market? OTC sales account for 18-20 per cent of the total drug market worldwide and this proportion is expected to reach 22-25 per cent over the next five years. While there is general agreement that OTC growth will outstrip that of prescription drugs, it is unlikely to reach double figures.

Among the restraints in Europe are strong deference to GP opinion in important markets such as France and Germany, making companies reluctant to reposition their semi-ethicals (products available OTC but still prescribed and paid for by the state) as consumer-driven brands; and the pharmacist's continuing monopoly of OTC sales.

In countries such as Italy, France and Spain, the pharmacy remains the sole retail channel. European governments are expected to drag their feet on deregulation and the more cost-efficient pharmacy chains are still mostly a UK phenomenon.

In the past, OTC companies have made little headway in persuading pharmacists to recommend specific brands. However, pharmacists are now beginning to realise that advising the public on OTC medicines – particularly the more powerful ingredients switching into the non-prescription market – can flatter their professional standing.

Conservatism among regulators is seen as a further barrier to more vigorous growth. Other European licensing authorities appear in no hurry to follow the UK Medicines Control Agency in fast-tracking switches. Moreover, some governments still fear that opening up the OTC market will encourage over-consumption, or that public advertising of switched products will rebound in higher prescription sales. "It is still a very regulated industry," says Roland Jeannet, worldwide head of Ciba's Self-Medication division.

Such caution is more understandable in the US context of liberal distribution and saturation advertising. During the past year, advisers to the Food and Drug Administration have turned away such high-profile switch candidates as SmithKline Beecham's Tagamet, Merck/Johnson & Johnson's Pepcid, Warner Wellcome's Zovirax and Upjohn's Rogaine.

The initial rejection of Zovirax – a success story in Europe as a consumer remedy for cold sores – raised questions about whether the net has been cast too wide in the search for new OTC contenders. Its US indication for genital herpes, made Zovirax something of a unique case. But the advisory committees' concerns about inaccurate self-diagnosis or the development of resistant viral strains carry implications for switches in general.

If products do cross over successfully, the pay-back can be substantial and spread over a long lifespan. Some US switches have more than tripled their sales and nine of the top 10 recent OTC launches were switched products. Less tempting are the high barriers to entry in the OTC market. Gross margins are lower than for prescription drugs and advertising costs are becoming prohibitive.

Like the recent flurry of mergers, this will accentuate polarisation between pan-European or global companies with mass-market brands and smaller, local companies focusing on niche products and semi-ethicals. Some of these local companies will survive the wave of consolidation.

Despite the lobbying efforts of multinationals, there is no guarantee that companies will be able to duplicate brand names, labelling, packaging and advertising on a global scale.

It looks as if consolidation will continue, albeit at a less frantic pace. The OTC market is still relatively fragmented – much more so in Europe than in the US and Japan. In 1994 the top 10 OTC companies accounted for about 37 per cent of the OTC market worldwide.

What will be the lifeblood of these new OTC giants? Clearly switches will play a substantial role. Even so line extensions and new formulations are likely to remain at the core of OTC strategy.

There are also new OTC markets to cultivate: China and the Pacific Rim, India, Latin America, Central and Eastern Europe, and Africa.

OTC companies still see plenty of mileage in the three leading OTC categories – analgesics, cough/cold remedies and gastrointestinal products.

But fresh impetus will come from "lifestyle" products such as vitamins and mineral supplements, catering more to a general sense of "well-being"; and from new OTC indications: diagnostic tests, smoking cessation aids, antivirals, antifungals, topical antibiotics, and perhaps even oral contraceptives, appetite suppressants or remedies for ageing.

Peter Mansell is editor of FT OTC Business News.

EUROPEAN MEDICINES EVALUATION AGENCY

Fast-track approvals service

Just three months after its birth, Europe's new medicines agency is making its presence felt.

Bayer, the German chemicals and pharmaceuticals company, has decided to locate its European drugs regulatory headquarters in the UK because of the agency's siting in London's docklands.

Many other companies have opened offices in London to liaise with the agency. And just about every pharmaceuticals company is considering how much it ought to invest to be close to the organisation that will oversee the approval of drugs in the European Union.

The UK government hopes that regulatory affairs offices will be followed by research and development and manufac-

Fernand Sauer: pledged to break speed records for drugs approvals

turing investment, both of which may work more smoothly with rapid access to regulatory authorities.

Yet the organisation at the centre of their attention is not for the foreseeable future going to be a European version of Washington's all-powerful Food and Drug Administration.

For a start, the European Medicines Evaluation Agency plans to stay small. Fernand Sauer, executive director, is adamant that he will not preside over a bureaucracy with several thousand employees. His Canary Wharf offices will have only 100 staff at the end of the year.

This is largely because, unlike the FDA, the EMEA will itself do none of the work of evaluating drug approval applications. Instead it will co-ordinate the teams of experts from EU member states.

It has established a structure that it believes will ensure efficiency: if a company does not want to use the EMEA, it has the option under EU rules to use one of the national agencies as the co-ordinator of its application instead.

But Mr Sauer is confident that drugs companies will not want to use anyone else. He has pledged to break speed records for drugs approvals, pushing through a decision within 300 days. The FDA takes almost two years on average to approve a drug, and Germany has frequently been slower than that.

More than that, its expert teams will have published a recommendation on whether or not the drug should be approved within 210 days of the filing of the application. This allows an early start for preparation for product launches because the European Commission, which makes the final decision, will be hard-pressed to challenge expert decision in its 90 days.

Perhaps not surprisingly, Mr Sauer has widespread backing among drug company chiefs. Ultra-fast drug approvals could be very profitable. This industry has a rule of thumb by which a successful new drug will eventually earn $1m a day in global sales revenues. The European Union accounts for about 40 per cent of global sales and it does not take a calculator to work out how much money an extra few months of sales revenue can mean to a company.

Comparisons with the FDA and other medicines agencies are perhaps not fair. Able to start afresh, the EMEA has brought to its aid the power of modern information technology. Drug application dossiers contain the details of clinical trials and can run to 100,000 pages. The EMEA will take applications on CD-ROM and distribute documents on electronic mail. That second step can save a week or two alone, by comparison with the older method of printing out paper versions and posting them, says Mr Sauer.

But it should not be surprising to learn that an organisation with such radical aims has enemies. Drugs companies executives, and even agency officials know that some national agencies would not be sorry if the EMEA tripped up.

And some doctors fear that the fast-track approvals idea will eventually lead to the disaster of a dangerous drug going on sale.

The testing period should be over within three years. The EMEA is already considering the first drug applications. If it can demonstrate its own safety and effectiveness its future is assured. It may even become a model for agencies in the Americas and Asia and be able to build bridges between them so that, for example, European approvals could hasten approvals in other countries.

But if it fails, national agencies will reclaim their right to control what drugs are sold in their domestic markets.

Daniel Green

CONTRACTS & TENDERS

ANNOUNCEMENT FOR PREQUALIFICATION FROM EREGLI IRON AND STEEL WORKS INC. (ERDEMIR)

1. Announcement is hereby made for the prequalification of the fuel modification project on the existing steam boilers no. 3 and 4 on turnkey basis included within the Step II of Capacity Improvement and Modernization Project in the integrated steel plant of Eregli Demir ve Çelik Fabrikalari T.A.S. located at Kdz. Eregli, TURKEY.
2. Technical Parameters

A) Existing Design Parameters		B) Parameters Aimed by the Modification Project	
Manufacturer: Foster Wheeler			
Capacity	: 181 t/h	120 t/h	
Steam Pressure	: 45.7 kg/cm²	45.7 kg/cm²	
Steam Temperature	: 445 ± 5°C	445 ± 5°C	
Feed Water Temperature	: 116°C	116°C	
Fuels	:		
i) Blast Furnace Gas	50%	i) Blast Furnace Gas + Converter Gas	90%
ii) Coke Oven Gas	30%	ii) Coke Oven Gas or Natural Gas	10%
iii) Fuel-Oil No.6	20%	iii) Natural Gas	100%
iv) Fuel-Oil No.6	100%	iv) Coke Oven Gas	30%
		v) Fuel-Oil No.6	100%

3. The project will be financed through ERDEMIR's own funds.
4. Only the consortium formed under the leadership of a prequalified local firm and having a foreign steam boiler designer & manufacturer as partner responsible from engineering services and performance guarantees, shall be invited to submit bids.

   Prequalification documents will be sent to those firms which will submit a written application to ERDEMIR. The firms which do not apply in time shall not be prequalified and therefore shall not be invited to submit their bids.
5. The following points shall be considered in the prequalification of firms:
   a) The leader local firm which will submit the bid for the modification work should have sufficient manufacturing and erection experience in similar projects.
   b) Foreign partner of the leader local firm should have sufficient experience on design and modification projects of industrial steam boilers fired with low calorific value gaseous fuels.
   c) Financial status of the leader local firm and foreign firm should be satisfactory.
6. The prequalification applications for the above mentioned project must be submitted to the address below on or before 17:00 hours local time on Tuesday, 16 May 1995. Late deliveries shall not be accepted.

ERDEMIR MUHENDISLIK VE YATIRIMLAR GENEL MUDUR YARDIMCILIGI
67330 KDZ.EREGLI, TURKEY

SUBJECT: MODIFICATION PROJECT OF THE EXISTING STEAM BOILERS NO.3 AND 4.

APPOINTMENTS

METAL OPTIONS TRADER

Leading international investment group requires Metal Options Trader to be responsible for managing the group's proprietary base metals options positions, generating structured and plain vanilla investment strategies to be sold to clients and to assist marketers with client enquiries. Salary negotiable. Applicants, aged 30-35, educated to PhD standard, with thorough understanding of option pricing and structured products and minimum three years' experience of quoting, managing and assisting in a variety of commodity options including base metals, precious metals and energy gained with leading investment house, should write to Box A5515, Financial Times, One Southwark Bridge, London SE1 9HL

LEGAL NOTICES

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION

IN THE MATTER OF
LONDON SECURITIES PLC
AND
IN THE MATTER OF
THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 12th April 1995 confirming the reduction of the capital of the above-named Company from £22,930,535.54 to £680,000 the reduction of the share premium account and the Minute approved approved by the Court showing with respect to the capital of the Company as altered the several particulars required by the above mentioned Act was registered by the Registrar of Companies on 12 April 1995.

DATED this 19th day of April 1995

LAWRENCE GRAHAM
190 Strand
London WC2R 1JN

Solicitors for the above-named Company

DAY INTERNATIONAL (U.K.) LIMITED

Registered No: 31497

In a Petition presented to the Court of Session on 19th April 1995 at the instance of Day International (U.K.) Limited, a Company incorporated under the Companies Acts and having its Registered Office at Balgray Street, Dundee, DD3 8HN, for Confirmation of Reduction of Capital Redemption Reserve, the Court has pronounced the following interlocutor:-

"21st April 1995 - Lord Allanbridge

The Lord Ordinary appoints the Petition to be intimated on the Walls in Common form and to be advertised once in the Edinburgh Gazette and once in each of the Dundee edition of the "Courier and Advertiser" newspaper and "The Scotsman", "Herald" and "Financial Times" newspapers; appoints all parties claiming an interest to Lodge Answers thereto, if so advised, within 21 days after such intimation and advertisement.

W Ian Stewart"

Of all of which intimation is hereby given.

Brodies WS
15 Atholl Crescent
Edinburgh EH3 8HA
Solicitors for the Petitioners

INTERNATIONAL PEOPLE

Nikko gets new man in Europe

■ Michel de Carvalho, 50, who spent 15 years with Credit Suisse First Boston, to co-chairman of Nikko Europe. He will work with Masashi Kaneko, current chairman.

■ Heinz-Helmer Puetthoff, Veba's company lawyer in Dusseldorf, to president at Veba Corporation in New York succeeding Klaas Peter Jacobs, who has retired.

■ Stephen P Smith, deputy managing director of British Shoe Corporation, has replaced Alfred Niederer as Paris-based president of the European operations of Canada's Bata Shoe Organisation.

■ Roger Rutz, former chief executive of the Chicago Board of Trade's clearing house, becomes an advisor to the Singapore International Monetary Exchange. He will review its clearing and settlement operations, and market surveillance system.

■ Paul Cantor to chief executive officer of Canada's National Trustco.

■ Herman Bruggink, 48, chairman of Elsevier and co-chairman of Reed Elsevier, has taken Pierre Vinken's place on the Reed International board.

■ John J. Byrne becomes an advisory director of Lehman Brothers Holdings.

■ Nick Brookes, 45, head of new business development at BAT Industries, is to take over from Tommy Sandefur, 56, as chairman and chief executive of Brown & Williamson, BAT's US tobacco subsidiary.

■ Joseph Gromek, 48, previously senior vice president and general merchandise manager at Ann Taylor, to chief executive officer at Brooks Brothers, Marks & Spencer's US unit.

■ Harry Langman, a former Dutch minister of economic affairs, has replaced David Kendall as non-executive chairman of Meyer International, UK builders' merchants.

■ Brian Galloway to managing director of Deutsche Bank's new private banking unit in London.

■ Will Samuel to regional managing director of Schroders European investment banking group, comprising the European securities and European corporate finance businesses. Richard Broadbent heads the European corporate finance division.

■ Michael P. Dugan, a former Smith Barney managing director, to president of Metzler Corporation, a US subsidiary of Germany's oldest privately-owned banking group.

■ Sigfrido Korkowski to general manager of Eastman Kodak's medical business in the Americas, and vice president of its health sciences division.

■ Tim Clarke, 38, managing director of Holiday Inn Europe, Middle East and Africa takes over as chief executive Bass Taverns following Philip Bowman's move to Australia as Coles Myer's finance director.

■ Richard Lussier to chief executive of Siemens Nixdorf Americas. He will continue as chairman of the recently-acquired Pyramid Technology Corp.

■ Sven Liljegren, former head of Wella's consumer division in Sweden, to general manager of Helene Curtis Scandinavia AB.

■ John A. Scott and Gregory L. Vereschagin to vice presidents, acquisitions, of Dun & Bradstreet. Vereschagin joins from Westinghouse.

■ Albert Bonar to head of NatWest Markets audit group – Asia. He was with Standard Chartered Bank.

■ Tom J. Landa, former assistant treasurer of Exxon Company USA, to vice president and chief financial officer of Florida Steel Corporation.

■ Peter M. Rosenfeld, 37, to director of new generation vehicle programs, at Chrysler Corporation replacing Timothy R. Adams, who becomes president - Chrysler Europe.

■ Mark Sievewright, former senior executive of Europay International, to European managing director of Payment Systems Inc, a financial services subsidiary of NFO Research.

■ Sir Christopher Hogg, 58, who retires as chairman of Courtaulds Textiles next month, to non-executive deputy chairman of Allied Domecq.

■ Graham Jones, formerly a partner with KPMG in the UK, to partner in charge of KPMG's Czech management consulting business in Prague.

International appointments

Please fax announcements of new appointments and retirements to +44 171 873 3926, marked for International People. Set fax to 'fine'.

No breach in Greek embargo

A trade embargo imposed by Greece on the former Yugoslav republic of Macedonia did not breach the Treaty of Rome, according to a preliminary opinion of the European Court of Justice.

At the beginning of 1994, Greece prohibited imports from and exports to the republic in an attempt to force it to stop using the name "Macedonia" and to remove a Macedonian symbol from its flag.

The European Commission brought an action before the European Court alleging that Greece's actions were contrary to the treaty. Greece argued that it entitled member states to take unilateral measures in certain circumstances, even though they affected the functioning of the common market.

Such circumstances arose in times of serious internal disturbances affecting the maintainance of law and order, in the event of war, in times of serious international tension constituting a threat of war, or in order to carry out obligations accepted for the purpose of maintaining peace and international security.

Advocate-general Francis Jacobs found that but for the safeguard clause in the treaty allowing such unilateral action, the embargo would have been in breach of the EU's common commercial policy.

The union had exclusive competence in this field and thus member states could not adopt unilateral measures restricting trade with third countries, except insofar as such action came within the ambit of the safeguard clause.

The advocate-general found the embargo was not justified on the ground that it was necessary to counter serious internal disturbances affecting the maintenance of law and order.

But he said that Greece was entitled to rely on the treaty provisions insofar as they allowed unilateral action in the event of war or serious international tension constituting a threat of war.

The advocate-general emphasised the powers of the court were severely limited when dealing with such issues. It was not for the court to adjudicate on the substance of the dispute between Greece and Macedonia. It had to decide whether in the light of all the circumstances, Greece could have had some basis for considering, from its own subjective point of view, that the strained relations between itself and the republic could degenerate into armed conflict. Each member state was better placed than the EU institutions or the other member states in assessing the dangers posed to it by the conduct of a third state. On that basis, it could not be said that Greece had acted wholly unreasonably.

The advocate-general stressed the court's powers in determining whether Greece had made improper use of the powers provided by the safeguard clause in the treaty, were also extremely limited.

Foreign policy was essentially still a matter for the individual member states. Even after the changes introduced by the Maastricht treaty, it was still for each member state to decide in the light of its own interests whether to recognise a third state and on what footing to place its relations with such a state. If a member state considered the attitude of a third country threatened its vital interests, its territorial integrity or its very existence, then it was for that state to determine how to respond.

It would only be making improper use of such powers if the real purpose of the action taken was to protect its own economy or the interest of its domestic traders. That was not the case here.

The advocate-general dismissed the arguments that the embargo had breached the principles of equal treatment and proportionality. There was no evidence the embargo discriminated arbitrarily between different classes of goods or traders or that Greek goods were treated preferentially. And it was clear that the impact of the embargo on EU interests was slight. Only a tiny percentage of the total volume of EU trade was affected and it was unlikely to have any perceptible effect on the competitive situation in the EU.

C-120/94: Commission v Greece, Opinion, April 6 1995.

BRICK COURT CHAMBERS, BRUSSELS

هكذا من الأصل

هكذا من الاصل

BUSINESSES FOR SALE

GLENRIC STATIONERY LIMITED

The Joint Administrative Receivers B. Creber and P. Revill offer for sale as a going concern the business and assets of the above company which trades as office stationery and equipment suppliers.

Principal features include:-

- Customer Base of 1500
- Established 1974
- 21,000 sq. ft. long leasehold property near Huddersfield
- Annual Turnover of £1.7m

For further information contact:
J. Priestley, Poppleton & Appleby,
93 Queen Street, Sheffield S1 1WF.
Tel: 0114 2755033 Fax: 0114 2768448

POPPLETON & APPLEBY

On instructions of the Joint Administrative Receivers

BRIDGE HOUSE HOTEL
LONGHAM, NEAR BOURNEMOUTH

Fully licensed 3 star landmark hotel

Superb main road site backing onto River Stour. 37 en suite letting bedrooms. £967,418 net T/O (Y/E Sept 94). Food & beverage led; scope to increase room revenue.

Offers around £1.25m freehold complete (including rented island)

ROBERT BARRY & CO.

CONTACT: MERVYN CULLY or DAVID WATSON

TEL: CIRENCESTER OFFICE (01285) 641642

SOUTH AFRICA

400 hectare luxury holiday resort with lakes, rivers, wildlife and natural flora, in unique, tranquil setting, in the spectacular Drakensberg Mountains, South Africa. Twelve substantial dwellings, plus superior management housing, office, workshop, equipment and airstrip. Scope for extensive further development.

£1.75 million O.N.O

Fax: South Africa 33-7011289

SOCIÉTÉ GÉNÉRALE DE FINANCEMENT DU QUÉBEC

Shipyard Investment Opportunity

Société générale de financement du Québec (SGF), a Quebec government–owned development organization, is looking for a partner or partners to take a majority stake in its MIL Davie Inc. shipyard.

The shipyard is strategically located on the St. Lawrence River downstream from Montreal and is the largest shipyard in Canada.

This strategy is being pursued in order to assist SGF in further developing the yard and thereby maintaining MIL Davie's position as a leader in the shipbuilding and ship repair sectors on the eastern seaboard of North America. The approach is fully supported by SGF and the Government of Quebec.

Interested parties requiring further information should contact SGF's exclusive advisor, Price Waterhouse, at the following addresses:

In North America:
Price Waterhouse
1250 René–Lévesque Blvd. West
Suite 3500
Montreal, Quebec H3B 2G4
CANADA
Tel.: (514) 938–5600
Fax: (514) 938–5709
Attention: Ms. Jacinthe Charbonneau

In Europe:
Price Waterhouse
No. 1 London Bridge
London SE1 9QL
ENGLAND
Tel.: (171) 939–3000
Fax: (171) 403–0733
Attention: Mr. Keith Tilson

Price Waterhouse

MANUFACTURING JEWELLER FOR SALE

Precious Metals Manufacturer for sale
Turnover £1.25m
Freehold available
Midlands Based
Write Box No. B3691, Financial Times, One Southwark Bridge, London SE1 9HL

DIVERCO
Sell Companies Nationwide

SELLERS and BUYERS
Contact in confidence
DIVERCO LTD.
4 Bank Street,
Worcester WR1 2EW
Tel: 01905 22303

Specialist International Trade Magazine

Turnover c£1m and recognised internationally as the authoritative trade magazine in its field

Principals should contact: Ref 9084

THE BUSINESS EXCHANGE

21 John Adam Street London WC2N 6JG
Telephone: 0171-930 8965 Fax: 0171-930 8437
A member of SFA

CEREAL PROCESSING FACILITY FOR SALE

TIPPERARY CEREALS LIMITED
(IN RECEIVERSHIP)

The Business and Assets of the Company are offered for sale as a going concern:-

- A fully equipped leasehold factory of 27,000 sq. ft.
- A modern extrusion, flaking & toasting processing line.
- A flexible plant that could be adapted to other processing activities such as petfoods, fish feeds etc.
- An experienced and highly motivated workforce.
- Developed export markets for processed cereals.

Enquiries to: **Tom Grace F.C.A.**
Price Waterhouse,
Gardner House,
Wilton Place,
Dublin 2, Ireland,
Telephone: 353 - 1- 660 6700
Facsimile: 353 - 1 - 660 9183

Price Waterhouse

British Rail

The Sale of Materials Engineering Group

Materials Engineering Group ("MEG") is being offered for sale. MEG is the main advisory, consultancy and training centre within the UK railway industry for welding, non-destructive testing and metallurgical investigation.

Sales for the year to 31 March 1995 were £1.3 million and most customers are within British Rail. MEG is based at Derby, alongside many of its customers and at 31 March 1995, the business employed 31 people.

Further information about the business and the sales process will be made available to appropriate enquirers subject to a confidentiality undertaking

This advertisement has been approved for the purposes of Section 57 of the Financial Services Act 1986 by Price Waterhouse who are financial advisors to the British Railways Board Vendor Unit. Price Waterhouse is authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business

Price Waterhouse

Interested parties should contact:
The Commercial Department
British Rail
Vendor Unit
British Railways Board
Drayton House
30 Gordon Street
London WC1H 0AN
Tel: 0171 383 4969
Fax: 0171 383 5715

Bookscene

The Joint Administrative Receivers Robert Matusiewicz and Nigel Millar offer for sale as a going concern the business and assets of Bookscene Group PLC and Bookscene Retail Ltd. comprising -

- National coverage from 30 leasehold prime site retail units
- Comprehensive stock of books, stationery and toys
- Established market image and high brand awareness
- On target annualised turnover c £6m.

For further information please contact Robert Matusiewicz

BDO

BDO Stoy Hayward
Corporate Recovery and Insolvency

FS 20897

BDO Stoy Hayward, Foxhall Lodge, Gregory Boulevard, Nottingham NG7 6LH
Tel 0115 955 2000 Fax 0115 969 1043.

FOR SALE
Builder's Merchant
North Humberside

T/O £3.3m NA £1.5m
Strong Gross Margins.

Please write to: Box B3688, Financial Times, One Southwark Bridge, London SE1 9HL

For Disposal-Due to lack of interest a once thriving mail order business suitable for hard working, motivated couple.
Turnover I.R.O £400k
Owner needs fast sale to concentrate on finer things in life.

For further details please contact Box B3898, Financial Times, One Southwark Bridge, London SE1 9HL

FOR SALE
West Country Contract Cleaning Co

Turnover £1 million plus
Profit £49k
Diverse Portfolio of contracts
For more information

Write to: Box B3693, Financial Times, One Southwark Bridge, London SE1 9HL

FOR SALE
CONTRACT CLEANING CO
(Central London)

Opportunity to buy Company £850K sales pa. Unique high margin contracts within close proximity.

Write to Box B3689, Financial Times, One Southwark Bridge, London SE1 9HL

PRIVATELY OWNED COMPANY

Established in 1968 with offices in London and Greater Manchester specialising in the installation and maintenance of metal window frames, also door mechanisms, is looking for an outright sale.

Write to Box B3706, Financial Times, One Southwark Bridge, London SE1 9HL

Manufacturing Business

Cultured Marble, $1,000,000+ established 1950 includes 25K sq. ft. bldg., 1.1 acre immaculate condition. Reply: 5812 N. 22nd St. Tampa, FL 33610 or Prodigy E-mail JTZF18A

FOOTWEAR RETAILER

Established company operating 10 shops in secondary locations over compact area of East Midlands. Properties are freehold, including warehouse/offices. The reason for sale is retirement. Ideal base for expansion.

For further information contact:
AJ Wesson,
BDO Stoy Hayward,
Foxhall Lodge,
Gregory Boulevard,
Nottingham NG7 6LH
Tel: 0115 955 2000

FOR SALE

Specialist Niche Electronics Company. Worldwide traffic and industrial markets.
Strong profits and growth.
£1.5m order book.
Highly experienced team.
Home Counties.

Principals only.
Write to Box B3705, Financial Times, One Southwark Bridge, London SE1 9HL

MACHINE TOOL COMPANY FOR SALE

Incorporated in late 1993 and commenced trading in February 1994, with Turnover in the first financial period exceeding £500,000. All indications suggest significant potential for considerable increase.

New and used machinery stockholding in excess of £250,000 at value/cost.

12.5 acre Freehold Site located on Tyneside with excellent access.

55,000 sq. feet single storey portal frame industrial building includes spacious, comprehensive office facilities.

All services laid on, gas, electricity, water and sewerage.

For details contact
John Payne
Jennings Johnson
19, Borough Road, Sunderland
Tyne & Wear SR1 1LA
Tel: 0191 5650565 Fax: 0191 5142083

FOR SALE
MOT, SERVICE & REPAIR BUSINESS
(Est 25 yrs)

- Located on Main Road Petrol Station, Harrow
- Fully equipped-6 ramps and parking
- Clutch point agent - 300 + clutches p.a.
- Certified net profit £140,000 pa on t/o £400,000
- New 15 year lease

£295k for going concern, including fully stocked stores, 3 loan cars, all equipment and help from retiring owner.

Fax for details 0181 427 5078

GREEK EXPORTS S.A.
(Special Liquidator of GENIKI PROMITHEFTIKI (KATASKEVAI) ELECTRICAL AND TELECOMMUNICATIONS MATERIALS & PLASTICS INDUSTRY S.A. by virtue of Decision No. 3089/1993 of the Athens Court of Appeal)

ANNOUNCEMENT

OF A THIRD PUBLIC AUCTION FOR THE HIGHEST BIDDER FOR THE SALE OF THE ASSETS OF GENIKI PROMITHEFTIKI (KATASKEVAI) ELECTRICAL AND TELECOMMUNICATIONS MATERIALS & PLASTICS INDUSTRY S.A. NOW UNDER SPECIAL LIQUIDATION

GREEK EXPORTS S.A., established in Athens at 17 Panepistimiou Street and legally represented, in its capacity as special liquidator of GENIKI PROMITHEFTIKI (KATASKEVAI) S.A. in accordance with Decision No. 3089/1993 of the Athens Court of Appeal and following the written instructions dated 27.2.1995 from ETBA S.A.

ANNOUNCES

a Third Public Auction for the Highest Bidder with sealed, binding offers, for the purchase (either as a whole or each of the eleven separate entities indicated below) of GENIKI PROMITHEFTIKI (KATASKEVAI) S.A. (established in Athens at 25 Stournari Street) within the framework of article 46a of Law 1892/90, as supplemented by article 14 of Law 2000/91 and complemented by article 53 of Law 2224/94

Brief information on the company and its activity

GENIKI PROMITHEFTIKI (KATASKEVAI) S.A. was founded in 1974 (Govt. Gazette No. 1770/31.8.74) and was engaged in the manufacture of electrological materials of all kinds for low, medium and high voltage as well as all kinds of telecommunications and electrological equipment.

The company's manufacturing installations are situated at Oinophyta in Boeotia. The factory was built on a self-owned plot of land 18,286 sq.metres in area and is installed in a three-storey building totalling 490 sq.m. in area. The company's assets for sale consist of eleven separate entities or groups of elements of the assets which can be sold either as a whole or each separately.

First entity: Plot of land, buildings, environmental works, electro-mechanical installations.
Second entity: Workshop machinery.
Third entity: Plate shop machinery.
Fourth entity: Plastics department machinery.
Fifth entity: Electronic materials "A" section machinery; telephone materials and pay phone materials "T" section; electronic materials "E" section; R & D section.
Sixth entity: Various machinery, welding section machinery, zinc coating equipment (hot dip and spraying).
Seventh entity: Means of transport and loading and unloading.
Eight entity: Other mechanical equipment (tools, moulds, utensils, production instruments and other electrical equipment).
Ninth entity: Furniture and other equipment (furniture, utensils, office machines, computers, and telecommunications equipment).
Tenth entity: Stocks (finished and semi-finished, raw and auxiliary materials, consumable materials, spare parts and packing materials). Note: exempted from these stocks are "TADIRAN" wireless materials which can be used only by the Greek Army.
These are referred to in details in the Offering Memorandum and in annex C).
Eleventh entity: An apartment 115.80 sq.m. in area on the first floor of the building on the corner of 25 Stournari and Botassi Streets in Athens.

TERMS OF THE AUCTION

1) Interested parties are invited to receive from the Liquidator the Confidential Offering Memorandum and the draft Letter of Guarantee in order to submit a sealed, binding offer to the Athens notary public assigned to the auction. Mrs. Adriani-Dimitra Economopoulou-Zafiropoulou, (Fifth floor, 18 Voukourestiou Street, Athens, Tel. +30-1-361.8249 and Fax +30-1.363.6978 up to 1400 hours on Wednesday, 17 May 1995.
2) Offers must be submitted in person or by a legally authorised representative. Offers submitted beyond the specified time limit and those not accompanied by a letter of guarantee will not be accepted or considered.
3) The offers will be opened before the above-mentioned notary at 1200 hours on Thursday, 18 May 1995 with the liquidator in attendance. Persons having submitted offers within the time limit are also entitled to attend.
4) Each interested investor can submit either one offer for all the elements of the company's assets or separate offers for the purchase of one or more entities. The offers must state clearly whether they concern the total assets or separate entities, the offered price and manner of payment (in cash or on credit, the number of instalments and when they are to fall due, etc.) If there is no mention a) of the manner of payment and b) whether the instalments shall bear interest or not, it shall be considered respectively that a) the payment shall be in cash and b) the instalments shall bear interest at the rate in force, at the time of submission of the offer, for interest-bearing Greek state bonds of one year's duration. Offers must not contain terms upon which their bindingness may depend or which may be vague with respect to the amount and manner of payment of the offered price or to any other essential matter concerning the sale. The liquidator and the creditor have the right, at their incontrovertible discretion, to reject offers which contain terms and exceptions, regardless of whether they are higher than other offers.
5) On penalty of invalidity, offers must be accompanied by a letter of guarantee from a bank legally operating in Greece, of indefinite duration, to the amount of eighty million drachmas (Drs. 80,000,000) if they concern the total assets. If the offer concerns separate entities, then the amounts of the letter of guarantee are as follows:
First entity: Drs. 56,000,000 (Fifty-six million drachmas). Second entity: Drs. 1,100,000 (One million one hundred thousand drachmas). Third entity: Drs. 2,400,000 (Two million four hundred thousand drachmas). Fourth entity: Drs. 1,100,000 (One million one hundred thousand drachmas). Fifth entity: Drs. 1,300,000 (One million three hundred thousand drachmas). Sixth entity: Drs. 2,400,000 (Two million four hundred thousand drachmas). Seventh entity: Drs. 2,700,000 (Two million seven hundred thousand drachmas). Eighth entity: Drs. 6,500,000 (Six million five hundred thousand drachmas). Ninth entity: Drs. 1,300,000 (One million three hundred thousand drachmas). Tenth entity: Drs. 2,000,000 (Two million drachmas). Eleventh entity: Drs. 3,200,000 (Three million two hundred thousand drachmas).
6) Forfeiture of guarantee: In the event that the party to whom the assets for sale have been adjudicated fails in his obligation to appear and sign the relative contract within twenty days of being invited to do so by the Liquidator, and abide by the obligations contained in the present announcement, then the amount of the guarantee stated above is forfeited to the Liquidator to cover expenses of all kinds, time spent and any real or paper loss suffered by himself and by the creditors with no obligation on his part to provide evidence of such loss or consider that the amount has been forfeited as a penalty clause, and collect it from the guarantor bank.
7) Return of letters of guarantee: Letters of guarantee submitted for participation in the auction shall be returned immediately after adjudication, except for the letter of guarantee of the highest bidder to whom it shall be returned on signature of the final contract.
8) The highest bidder is the one whose offer was judged by the liquidating company and deemed by the majority creditors to be the most satisfactory.
9) The Company's assets and all the separate fixed and circulating assets that make them up, such as immovables, movables, claims, rights, etc. whether they are to be sold as a whole or as separate entities, shall be transferred "as is and where is" and, more specifically, in their actual and legal condition and wherever they are on the date of signature of the final contract, regardless of whether the Company is operating or not.
10) The liquidator, the Company under liquidation and its shareholders and creditors are not liable for any legal or actual faults or any incomplete or inaccurate description of the assets for sale in the Offering Memorandum.
11) Interested buyers must, on their own responsibility and due care, and by their own means and at their own expense, inspect the object of the sale and form their own judgement and declare in their bids that they are fully aware of the actual and legal condition of the assets for sale.
12) The Liquidation company and the Creditors bear no responsibility or obligation towards participants in the auction, both with regard to the evaluation of the bids, the selection of the highest bidder, the decision, if any, to cancel or repeat the auction and any other decision in general regarding the procedure and execution of the auction. The submission of a binding offer does not imply any right in the adjudication of the sale and, in general, participants do not acquire any right, claim or demand from the present announcement and from participation in the auction, against the liquidating company or the creditors for any cause or reason.
13) All costs and expenses of every nature for participation in the auction and for the transfer of ownership, as well as all taxes, duties, dues, state fees or third party fees that may be imposed (beyond the exemptions foreseen by law) relating to participation in the auction and to the sale contract, anything following the sale, transcriptions and any other acts, are borne exclusively and alone by the interested buyers and the highest bidder respectively.
14) Participation in the auction implies acceptance by the prospective buyer of all the above terms of the present announcement.
15) The present announcement has been drafted in Greek and in English in translation. In any event, the Greek text shall prevail.

For any further information and for the Confidential Offering Memorandum, interested parties may apply to:

a) *GREEK EXPORTS S.A. 17 Panepistimiou Street (1st floor), Athens, Greece. Tel. +30-1-324.3111 - 115 Fax: +30-1-323.9185* or to the company's new address at Vasileos Constantinou and 1 Eratosthenous Streets, Athens.
b) ETBA S.A. (Holdings Dept.) 87 Syngrou Ave. (4th Floor) Athens, Greece, Tel. +30-1-959.4611 and 929.4613

FOR SALE
Specialist Niche Electronics Company

Strong profits and growth.
£1.5m order book.
Highly experienced team.
Home Counties.

Principals only.
Write to Box B3705, Financial Times, One Southwark Bridge, London SE1 9HL

BUSINESSES WANTED

SPECIALITY VALVE COMPANIES

UK COMPANY is interested in acquiring Valve Companies for Cash (UK or Europe) or VALVE PRODUCT LINES in the following markets;

- **Offshore Oil and Gas**
- **Cryogenic Gas**
- **Water Quality and Flow**
- **Chemical, Utilities, Steam**
- **Defense/Submarine Markets**

Divestiture CANDIDATES should have turnover from £500,000 to £20 million, product lines £500,000 minimum.

Address enquiries Attention c/o Box B3704, Financial Times, One Southwark Bridge, London SE1 9HL.

WANTED FINANCIAL INTERMEDIARIES

Private client or Corporate **Stockbrokers, IFA's, Portfolio Managers** with established clientele, might AIM straight for Durlacher (city stockbrokers).

Replies ASAP to:-
G. Chamberlain
Durlacher Ltd
10 Throgmorton Ave.
London EC2N 2DL
Tel: 0171 628 4306

BANK REQUIRED

WITH FULL BANKING LICENCE UK OR SWISS
Contact Ref: JZ
Georgiou Nicholas Solicitors
11 Johns Mews, London WC1N 2PA
0171-831-3656

REVERSE TAKEOVER

Do you want to obtain a listing? Funding and clean shell available to company making profits of at least £1 million pa.

Please write, with details, to: Box B3684, Financial Times, One Southwark Bridge, London SE1 9HL

Computer service companies providing PC based maintenance, network services and cabling required, or for purchase of contract base.

Details write to Box B3707, Financial Times, One Southwark Bridge, London SE1 9HL

COMPUTER SERVICES

Opportunities sought for acquisition or merger by successful computer services company.

Please write in the first instance to Box B2171, Financial Times, One Southwark Bridge, London SE1 9HL

SMALL ELECTRONICS FIRM Wanted by Test/Measurement system designer. Prefer loss maker. Write to Box B3686, Financial Times, One Southwark Brdg, London SE1 9HL

BUSINESS FOR SALE

Profitable Total Facility Maintenance business for sale. Turnover £500,000 per annum. No longer part of Corporate Strategy. Midlands based. Offers from Principals only.

Write to box B3746, Financial Times, One Southwark Bridge, London SE1 9HL

CITY CENTRE RESTAURANT

Opportunity exists to acquire £1 million turnover/ £150,000 PBT Italian restaurant in prime city centre location.

Secure long term lease.

120 covers.

OFFERS INVITED

Write to Box B3697, Financial Times, One Southwark, Bridge, London SE1 9HL

FOR SALE
South-East Building Company
Turnover I.R.O. £750,000
Established 13 Years

FOR SALE
South-East Flat Roofing Company
Turnover I.R.O. £200,000
Established 25 Years
Suitable for Expansion

Write to Box B3700, Financial Times, One Southwark Bridge, London SE1 9HL.

MOTORCYCLE GASKET MAKER T/O £180K, GP 40%, 65% Repeat business, no sales force. Call: Cedric Richardshaw Tel: 017999 731682, Fax 01788 731036

FOOTBALL CLUB
BEAZER HOMES SOUTHERN LEAGUE
(MIDLANDS DIVISION)

Freehold property, small mortgage, 7½ acres, well maintained ground, two fully licensed bars, outskirts of major city.

Principals only, write to Box B3702, Financial Times, One Southwark Bridge, London SE1 9HL

ENGINEERING COMPANY FOR SALE

Profitable BS 5750 registered designer and manufacturer of special purpose equipment operating from leasehold premises in the West Midlands.

Sales (mainly to a diverse blue chip industrial base) for the last financial year were over £1.5M and are expected to grow to £2M this year.

Principals only please to Box B3710, Financial Times, One Southwark Bridge, London SE1 9HL

MILAN - ITALY
FOR SALE

Splendid, independent building of recent construction. Excellent finishings. Composed of offices, laboratories, warehouses. Caretaker's accommodation. Two vehicle entrances. Ample parking. Multi-use. Equipped specifically for cosmetics and pharmaceutical laboratories.
Please write to: CITTERIO Rodolfo, Viale Romagna, 61, 20133 MILANO, Italy

---

EXECUTIVE LEASING LTD.

This shell un-traded company for sale - £1500.00 ono.
Call 01582 666970

UNIQUE OPPORTUNITY
(RETIREMENT SALE)
HISTORIC SOUTH DEVON COUNTRY HOUSE HOTEL
(SAME OWNERS 16 YEARS)

For details contact:
Box B3708, Financial Times, One Southwark Bridge, London SE1 9HL

600+ LIVE BUSINESSES FOR SALE MONTHLY
Turnovers £1m – £100m
£141 for six month subscription
BusinesstoBusiness Bulletin
PHONE 0171 434 9992

In the final part of a series on cancer research, Clive Cookson and Daniel Green look at two of the most exciting ways of killing tumour cells: genetic engineering and immune therapy.

IN THIS SERIES:

NOVEMBER 29
Introduction.
The growing toll of cancer worldwide. Why the disease is responding better to treatment in the young. The worldwide market for cancer drugs. Who is spending what on research.

DECEMBER 13
Causes and prevention.
Smoking. Diet and food supplements. Sunshine and skin cancer.
Chemicals and other environmental causes.
Vaccines against cancer-causing viruses.
Antibiotics to prevent stomach cancer.

JANUARY 24
Diagnosis and screening.
Genetic susceptibility.
Scans. Identifying cancer markers in the blood.
Politics and economics of screening.

FEBRUARY 28
Chemotherapy.
Drugs to kill rapidly dividing cancer cells.
Reducing multi-drug resistance. Anti-nausea drugs and other ways of reducing side effects.
Hormone-based treatments. Herbal and alternative remedies.

MARCH 28
Radiotherapy.
X-rays. Gamma rays.
Neutron beams. Heavy ions.
Magic bullets.
Antibodies and fusion toxins aimed at cancer cells.

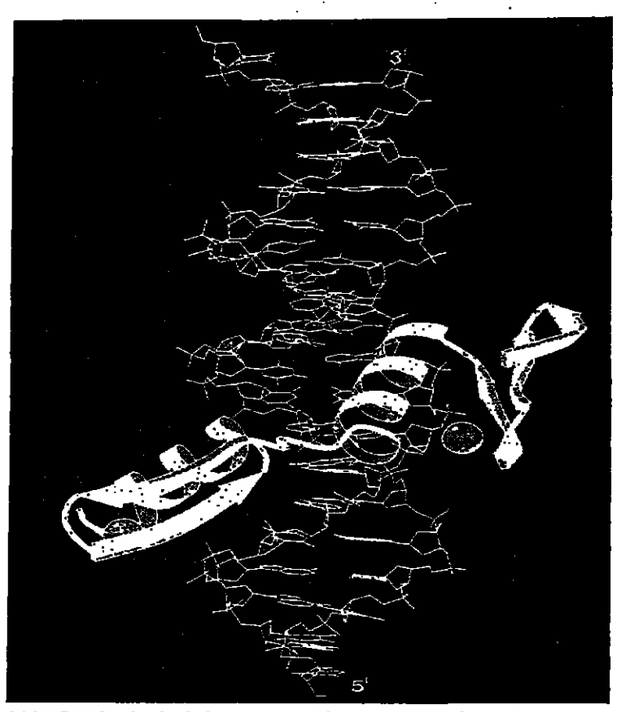
Controlling the switches

Cancer is ultimately a genetic disease – and the prospect of curing it by switching genes on or off is causing more excitement in the world's medical laboratories than any other avenue of cancer research.

Four to six independent genetic changes are necessary to produce a typical tumour, says Karol Sikora, professor of clinical oncology at the Hammersmith Hospital, London. The total number of genes directly implicated in human cancer is more than 50, with hundreds more still to be discovered. So researchers have a vast choice of ways to different ways to intervene in the process.

Several dozen clinical trials of genetic treatment for cancer are under way in the US, Europe and Japan, although all are at least two years from commercialisation. Within the great variety of approaches, three broad categories are particularly important:

- Blocking "oncogenes", the natural molecular accelerators in which mutations cause runaway cell growth. Several different types of molecule are used to interfere with these genes and switch them off. The most common oncogene, called *ras*, is implicated in about half of all tumours.
- Restoring the function of "tumour suppressor genes", which normally perform the opposite function to oncogenes and stop the excessive proliferation of cells. This can be done either by introducing new tumour suppressor genes through gene therapy or by re-activating defective copies in the body. The best known such gene is *p53*: mutations in *p53* also occur in about half of all malignancies.
- Using gene therapy to add genes that are not involved directly in cancer suppression but which produce proteins that help to destroy tumour cells. Examples include immune stimulants (see article right) and cell-killing toxins.



A 'zinc-finger' molecule, designed by the MRC Laboratory of Molecular Biology, Cambridge, binds to a leukaemia-causing gene and switches it off

In a field of research that is so young and so richly varied, it is too soon yet to draw any conclusions about which approaches will work best.

Conventional pharmaceutical researchers still regard gene therapy as an unproven and undesirably complicated procedure, requiring not only cloned copies of the appropriate gene but also a vector – a virus, microscopic fat particle or even a "gene gun" firing tiny DNA-coated gold balls – to carry it into the appropriate cells. Other components may be needed too, to switch the gene on or off after it reaches the target.

From the conventional point of view, a better bet is to use small molecules, similar to today's drugs, to interfere with cancer genes.

An example of a research programme along these lines is Progene, a partnership between Proteus, a UK drug design company, and Genelabs, a Californian genetics company. It is developing molecules that bind directly to the control region of oncogenes and switch them off.

The favourite target for researchers seeking drugs to switch off cancer genes is *ras*. "Just about every pharmaceutical company has its own *ras* inhibitor programme or is thinking of starting one," says Said Sebti, a *ras* researcher at the University of Pittsburgh.

Allen Oliff, head of oncology at Merck of the US, told last month's meeting of the American Association for Cancer Research that its experimental *ras* inhibitors could begin clinical trials within 12 to 18 months. "These really are the first drugs designed to block the action of a single specific cancer gene," he says.

However, the gene therapy camp points out that some of its procedures are already beginning to give encouraging results in patients. The most advanced approaches are those that use the new genes to produce high concentrations of anti-cancer proteins inside tumours, either directly or in conjunction with another drug.

For instance, two separate partnerships – Rhône-Poulenc Rorer with Genopoïetic of France, and Sandoz with Gene Therapy Inc of the US – uses a virus to deliver a gene for an enzyme called TK to brain tumours; the patient is then treated with ganciclovir, an antiviral drug, which kills the cancer cells when it comes into contact with the TK.

The first trial of gene therapy with the tumour suppressor gene *p53* began in February, through a Rhône-Poulenc Rorer partnership with Introgen Therapeutics of the US.

"Our preclinical work in animals has shown that when normal *p53* genes are put back into cancer cells, the growth of cancer cells is suppressed," says Jack Roth of the University of Texas, who is carrying out the tests on lung cancer patients.

According to Frost & Sullivan, the international market research company, the first gene therapy treatments will be approved for sale in 1997, for brain tumours. The gene therapy market will then grow very fast, with world revenues of $1.3bn (£800m) from cancer treatments as soon as 2000.

CC

Immunology investigation

To treat cancer with the immune system is a daunting challenge for any medical researcher.

Not only are there many causes of cancer, few treatments and even fewer cures, but the immune response involves some of the most complicated and poorly understood biochemical processes in the body.

Yet there is no doubt that the link between the immune system and cancer is important.

Only last week came a striking advance. The medical journal The Lancet gave details of a cancer vaccination used successfully to treat a woman suffering from malignant myeloma, a blood cancer.

Doctors at the National Cancer Institute in Bethesda, Maryland, used the woman's own malignant cells to induce an immune reaction in her brother, and then transferred this immunity to her through an infusion of his bone marrow.

Other scientists are working on an even more ambitious proposition – that the immune response could be stimulated directly to attack cancer cells.

Glenn Dranoff, of the Dana Farber Cancer Institute in Boston, Massachusetts, is trying to genetically engineer tumour cells to produce a hormone that attracts the attention of the immune system.

This approach holds out the hope that one day the body's own defences could be mobilised against cancer, eliminating the need for surgery, powerful drugs or intense radiation. But Dranoff admits that opinion is divided: "Some believe that the immune system might not actually be able to respond on its own and that bone marrow transplantation may be better."

Or neither might work. It would not be the first disappointment in cancer immunotherapy.

In the 1970s interferons were hailed as a great new cancer treatment. They are materials produced by cells in response to infection by a virus, which appear to interact with the immune system. In laboratory experiments, they showed spectacular success in controlling tumours.

But in people, the effect was limited to a handful of rare cancers. And interferons turned out to be so toxic that their use is limited.

Then, during the 1980s, the components of the immune response began to be understood in more detail. In particular, there is a cascade of chemicals that triggers the production of blood cells, such as white blood cells and natural killer cells, which attack invaders and could be harnessed to fight cancers.

In addition, these components could help shore up the immune system against damage by conventional drug and radiation treatments, which leave many patients vulnerable to infections.

One of these products has made it big in commercial terms, Amgen's Neupogen, which stimulates the production of white blood cells. It is used increasingly in conjunction with conventional treatments, although patients must still be given powerful antibiotics to try to protect them against infection.

The other parts of the immune response have yet to show the same level of promise.

Many drug companies are concentrating their efforts on one group of related materials in the blood-cell creation process, the interleukins. But Paul Herring, director of research at Sandoz, the Swiss pharmaceutical company, admits that knowledge of their role in the immune system remains incomplete.

"There are perhaps 11 interleukins discovered so far. We don't know whether this is all of them, whether they can be used alone or in combination with each other," he says.

Sandoz has been working on one called IL3, but progress is slow. "It gives no clear benefit when used on its own. But in combination with GM-CSF [another material that stimulates the growth of blood cells] it does have some effect provided the GM-CSF is administered a few hours before the IL-3. When the two are given together there is no significant effect."

Immune therapies continue to hold out the hope of the perfect treatment, in which the natural defences of the body can be trained to fight cancer. But researchers have not even mastered the means to help the immune system through the rigours of conventional therapies. It is likely to be many years before cancer cells face serious attack by the immune system as part of a standard treatment programme.

DG

The monthly series on pharmaceutical research will resume in May with a look at the latest ulcer treatments.

هكذا من الأصل

Craftsmen's view of nature

William Packer reviews the Craft Council's current exhibition of mainly contemporary work

It has always been in the fields of craft and design that art has entered most directly into daily life – art, if you like, at its most natural. The point is a nice one, full of irony and contradiction. We have only to look into *Punch* of the 1880s to register the mockery heaped upon the Arts & Crafts Movement and Aestheticism in general – "greenery-yallery, Grosvenor Gallery" and all that – but the point is that for all the artiness, they were still highly fashionable, and a great business such as Liberty's was founded on their success.

So it has gone on, and the contemporary crafts are still mocked and misunderstood, ambiguous in their relation to art as such, yet eminently successful. We still smile when we think of all those beards and sandals, those vegetarian principles and earnest mugs of cocoa after firing the kiln, yet the return that the community of artist-craftsmen now makes to the economy, across all the disciplines of the fine crafts from furniture-making to basket-weaving, is entirely disproportionate to its size and a wonder of the age. It is this sector of thriving small business that the Crafts Council has been encouraging now for more than 20 years.

An overview of such activity is always welcome, especially one that brings out its essential historical continuity. While not able to go back quite to the 1880s in terms of direct experience, the council can certainly claim direct contact with several notable Victorian and Edwardian survivors into its own period. Of these represented in this current exhibition, Bernard Leach is the most obvious, but there are many others – ceramists such as Susie Cooper, Keith Murray, Michael Cardew, Millicent Taplin and Katherine Pleydell-Bouverie, artist-designers like Edward Bawden and Duncan Grant, textile-designers and weavers like E.Q. Nicholson, Theo Moorman and Marianne Straub.

But in taking "The Influence of Nature" as its sub-title and central premise, *Out of This World* first goes back to the true Victorians, to Voysey, Ashbee, Mackmurdo and, of course, the great apologist of the crafts as art, William Morris. "Order", he said, "invents beautiful and natural forms, which, appealing to a reasonable and imaginative person, will remind him not only of the part of nature which ... they represent, but also of much that lies beyond that part." "A literal transcript will not result in good ornament" said Voysey: "before a living plant a man must go through an elaborate process of selection and analysis (by which he becomes) an inventor ... and can live and work in the present with laws revealing always fresh possibilities".

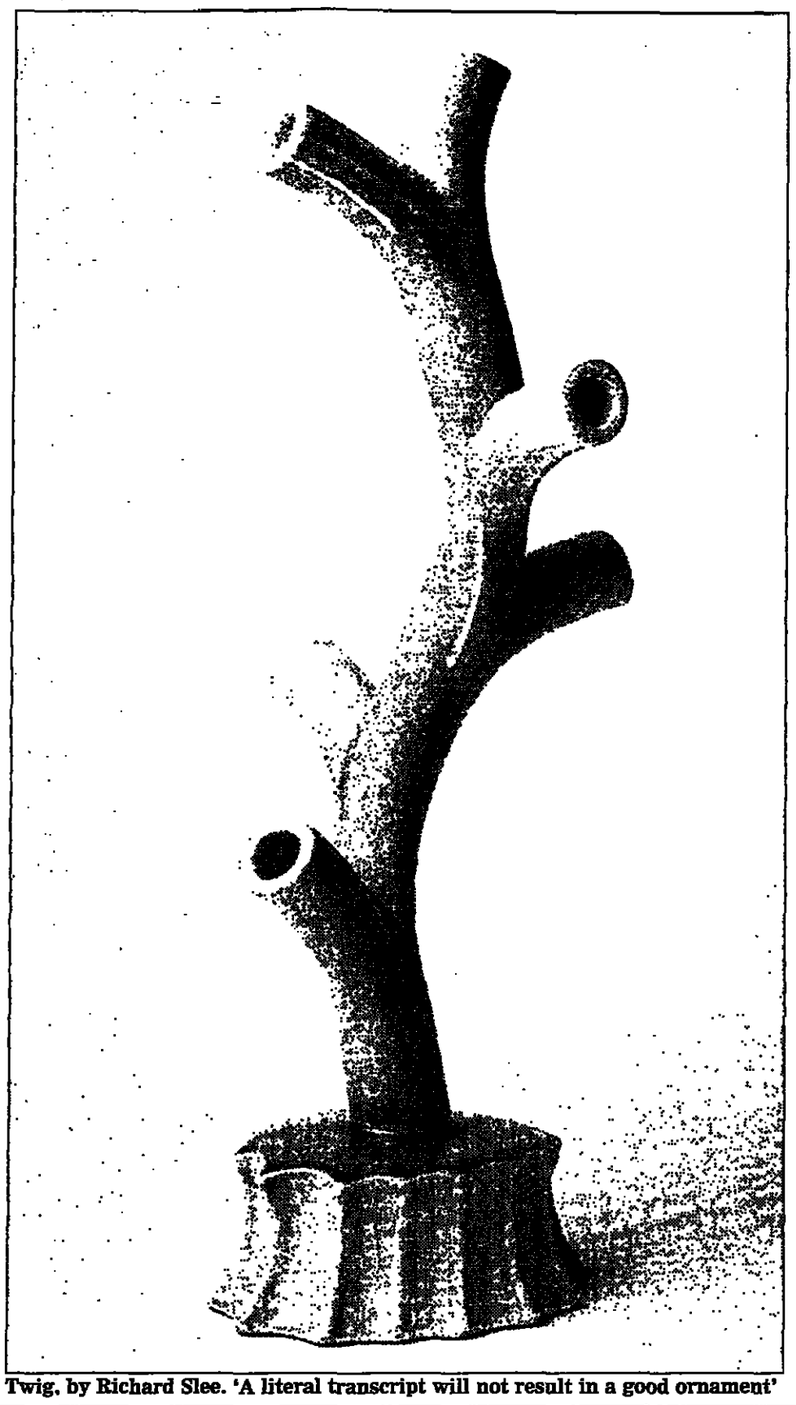
There is little to add to that, and as an excuse for bringing any number of lovely and surprising things together it is entirely admirable. But as so often is the case, what seems admirable in the proposal is more questionable and even irritating and disappointing in the event. Here the presentation is unchronological, which at once throws over the chance of following any thread of development through the show, the inevitable shift and change of interest, sensibility and practice that yet oddly remain the same. Instead the arrangement is variously thematic under such headings as Harmony and Rhythm, Myth and Symbol, Abstraction, Mediation, Ecology and so forth.

Which is all very well, but with the weight of the selection heavily upon living makers and designers, and upon their recent work at that – for dates on the labels are given only to the dead – we have little idea as we go round how long in the tooth they are, or how wet behind the ears. And we can see all too well where it is leading, as the simple conjunction of working drawing and final piece in the display of the older work gives way to cabinets of source material, the commonplace of every artist's studio in the land – all those pebbles, twigs, toys, trophies.

The point that the work of artists and craftsmen does not spring fully-formed from their brows, but is born rather of life and experience of the natural world, is well made, but why then do I find it so annoying? Is it because it is so obvious it should not need the making? Is it because my own shelves and drawers are stuffed with such junk? Perhaps.

Then there are the arch and posturing statements of the young to take on board. "Macrocosm and microcosm: the earth from space, the shape of the cell," says Julie Wood. "I attempt to evoke the atmospheres of the joys and shadows encircling human relationships," says Rachael Mellors. "Working in a sausage factory made me realise that I quite liked pigs, and that it's rude to eat your friends," says Andy Hazell. No. The answer is to forget the width and feel, or rather see and relish, the quality of the things themselves, from the Victorian silver rosebowl of Gilbert Marks or Ernest Gimson's Edwardian brass sconces, to the exquisitely shimmying, shimmering pewter vases of Toby Russell, made the day before yesterday.

Out of this World: the Influence of Nature in Craft & Design 1880-1995: Crafts Council Gallery, 44a Pentonville Road, N1 until June 18, then on to Manchester and Cardiff.



Twig, by Richard Slee. 'A literal transcript will not result in a good ornament'

Theatre/**Sarah Hemming**

Rattigan's 'Flare Path'

On the surface, Terence Rattigan's *Flare Path* ought to be dreadful. This wartime drama set among RAF men and their wives is fairly slow and shamelessly manipulative. The characterisation is not on a par with *The Winslow Boy* or *The Browning Version* – indeed, it is full of stereotypes: the chipper airmen, the chirpy cockney, the minor Hollywood actor and the tortured wife, torn between two lovers. And yet, revived at Bristol Old Vic for the 50th anniversary of VE Day, it is totally compelling. Why so?

Well, for one, it was written in 1940 when Rattigan himself was on active service with the RAF, and is shot through with an authenticity and compassion that make it irresistible. It whisks you into the world of the small hotel near the aerodrome where the action takes place and you are held captive (though goodness knows how the original 1942 audience coped with the sweaty palmed climax at which the bombers take off, one by one).

Secondly, of course, it offers a prime example of the famous Rattigan "well-made play". Structure and narrative combine to carry you along and you soon surrender – though in places it is so well-fashioned that to a modern audience it seems predictable, and Rattigan ladles on the dramatic irony as if it were going out of fashion.

Thirdly, and most importantly, the play presents a real attempt to use this rather conventional form to talk about nebulous and difficult emotions and to seize a mood in the nation and a moment of change. Its characters are not so much simply patriotic, as staunchly engaged.

Rattigan offers a touching portrait of ordinary people doing their bit and making light of it: the rear gunner with the bad back (Paul Rider), his pragmatic little wife (Helen Sheals), the brash but brave Doris (a nice performance from Amanda Harris), even the brusque hotelier (an enjoyably tart Virginia Stride).

All are played with warmth and vitality in Andrew Hay's production, flushing out the characters so we peep into their worlds and see their own battle fronts.

But Rattigan does not just give you the heroic stiff upper lip, he also offers a brief glimpse of paralysing fear. At the romantic heart of the play is a love triangle: will Patricia, the wife of the flight lieutenant, Teddy, run away with her former lover, the movie actor who has sought her out? She looks set to go, until, after a tough raid, her husband breaks down before her to confess his fear of flying.

His confession alters her decision, but she stays, not out of pity or duty, but because she realises that the war has changed their lives utterly and they have shifted to a different dimension. While remaining ambivalent about the wisdom of her decision, Rattigan shows us its inevitability. So he shows how private and public worlds meet; he also portrays a rite of passage that must have happened to many.

Guy Lankester and Nicky Henson are nicely contrasted as the puppyish Teddy and the urbane Peter, while Barbara Wilshere has a graceful dignity as Patricia. Hay's production fails to bring off the moment of shock when one plane crashes, but otherwise is warm and sensitive, and, on Mick Bearwish's set, which is adroitly constructed to contrast the comfort of the hotel with the terror of the skies, brings the characters to life so well that you are sorry to take your leave of them.

Continues to May 13 at Bristol Old Vic (0117-987-7877).

Music in London/**David Murray**

'British Music Now' with Oliver Knussen

At the weekend the BBC Symphony, with the Nash Ensemble, offered three Barbican concerts on successive nights, with open rehearsals earlier, of "Oliver Knussen's British Music Now", also entitled (in larger print) "Talking music". What *was* all that?

At first glance, it seemed to be a BBC showcase for Ollie's own music and that of four other young and middle-aged composers he happens to like – Robin Holloway (b. 1943), Colin Matthews (b. 1946), Mark-Anthony Turnage (b. 1960) and Julian Anderson (b. 1967): at 42, Ollie comes in the middle – with the extra feature of onstage interviews with them all. The "interviews" proved to be numbingly desultory, unfocussed, in-group chat which merely postponed the second half of each long concert for 20 minutes; the promise of "Talking music" had scant warrant. If the new, anxiously populist Radio 3 wants to "humanise" modern composers for us, this seemed not to be the way to do it.

Part of the reason why it misfired, however, lay deeper. The modest audiences these concerts drew to the Barbican were not eager innocents thirsty for humanised introductions, but the professionals – the contemporary-music publishers, the specialist performers, the critics, and beside them a few regular aficionados and some open-eared music students.

For whatever reasons, none of these composers – not even Knussen, though he has the children's-opera *Where the Wild Things Are* to his name – has yet seized or even just tantalised the ears of a wider public as, say, the young Maxwell Davies and Birtwistle did, let alone Britten and Tippett.

At second glance, this Barbican series looked stranger still. For it proved to be heavily retrospective, laden with early pieces by composers whose *mature* works are barely known outside the special contemporary-music coterie: was that a sensible formula for a big, expensive project?

In fact the Sunday concert which included Knussen's rich, larky *Wild Things* (1983) attracted much the largest audience; but both the Holloway pieces on Friday – *from his formative*, harmonically queasy "after Schumann" period – were more than 20 years old, like the main Matthews exhibits on Saturday, and even Turnage's glittering *Night Dances* were almost 14.

Young Anderson, when interviewed, strove manfully to look back from a mature distance at his *Parades – Pavillons en l'air*, composed all of four years ago. I have not got the point about Anderson yet: that orchestral diptych struck me as a dark-into-light exercise of a kind (warm diatonic glow at the end, dominant ninths for preference) that Jonathan Harvey, Robert Saxton and indeed Matthews in his orchestral Fourth Sonata here have exploited more vigorously, and Anderson's chamber pieces were nicely turned but slight.

Besides *Wild Things*, which still sounds wonderfully rumbustious and tender but betrays a heavier debt than we first realised to its candid models in Ravel and Stravinsky, Knussen conducted the BBC Symphony in everything with unfailing sympathy and precision.

The most rewarding performances were nevertheless by the Nash players and various singers in smaller pieces: in the case of Turnage's recent *Three Farewells* and Knussen's 1978 *Triptych*, really too frail and introspective for the Barbican (and too soporifically similar when programmed together), but lovely.

Better suited to the hall, and wielding much more direct impact, were two works from the early 1980s – Turnage's pungent *Lament for a Hanging Man*, where Fiona Kimm was the fervent mezzo, and Matthews's lean, crisply argued Oboe Quartet (with Gareth Hulse), where one hears a composer's voice suddenly and decisively finding its own accents.

In sum, Ollie's British Music, though not the "Talking music" part, was mostly a treat for us fans; but there are not very many of us, because even "classical" contemporary music has fragmented into too many distinct strands beyond the academically-approved (Cambridge looms large), BBC-favoured one. There is something embarrassing about that.

Yakov Kreizberg and the Bournemouth Symphony

From next September the Bournemouth Symphony – still celebrating its centenary: how protracted these anniversaries have become! – will have the young Russian Yakov Kreizberg as its new principal conductor. On Thursday it brought him to London to show him off in advance, or perhaps it was the other way round: by the second half of its programme the orchestra sounded very good indeed.

It was perhaps a piece of bravado to play Debussy's gentle, tremulous Prelude to "L'Après-midi d'un faune" immediately before bursting into Stravinsky's *Sacre du printemps*, but it was brought off with éclat. Though Kreizberg treated the Prelude with scrupulous delicacy (the different layers of string-washes and whispers were all transparent) he kept its shape taut; the important solo flutes, oboe and violin made stylish contributions, and the score came up rewardingly fresh. So, indeed, did *Le Sacre*.

For that towering piece Bournemouth had drawn upon both of its bands. Technically and otherwise, the result was impressive and exciting. Perhaps by dint of assiduous rehearsals, Kreizberg secured a notable rapport with the orchestra: on matters like the exact length of breath-pauses, and instant knife-edge attacks when there were none, everybody was alert and unanimous.

In the quicker sections Kreizberg was urgent beyond the norm. Sometimes that lost the hieratic quality which Boulez, for example, insists upon to such effect; but it also kept the music pressing vitally forward – usually *dancing* forward, in fact, for Kreizberg's snapping rhythms were instinctively of the dance. He made much also of the tough folk-ishness of the songs and chants that were Stravinsky's original material. The curse of over-sophistication hangs over many a *Sacre* performance; not here, and yet the music was articulated with intelligence and stirring force.

The first half of the programme made less of an impression, because Krenek's dramatic monologue *Medea* is musically little more than jagged rhetoric (Daphne Evangelatos sang it with tireless passion, not much varied), and in Beethoven's "Emperor" Concerto Kreizberg and his pianist John Lill found little rapport. Lill was grandly Beethovenian and amazingly loud: even in *pianissimo* he could blot out eight woodwinds, and with one *fortissimo* double trill he drove the whole orchestra back into the faint middle distance. Kreizberg found some moments of thoughtful grace, but the performance remained uneasy – discombobulated, I thought.

D.M.

INTERNATIONAL ARTS GUIDE

■ BALTIMORE

CONCERTS
Symphony Hall Tel: (410) 783 8000
● Baltimore Symphony Orchestra: with guitarist Manuel Barrueco. James Paul conducts a programme that includes Vivaldi, Puccini and Respighi; 8.15pm; Apr 28, 29, 30 (3pm)
OPERA/BALLET
Lyric Opera House Tel: (410) 727 6000
● Manon Lescaut: by Puccini. A Baltimore Opera presentation conducted by Joseph Rescigno and directed by James de Blasis. Soloists include Barbara Daniels, Elizabeth Byrne and Patryk Wroblewski; 8.15pm; Apr 26 (7.30pm), 28, 29, 30 (3pm)

■ BERLIN

CONCERTS
Deutsche Oper Tel: (030) 34384-01
● Gala Concert: with Lucia Aliberti, Alfredo Kraus and the choir and orchestra of the Deutsche Oper Berlin. Marcello Viotti conducts a variety of operatic pieces; 7.30pm; Apr 25
OPERA/BALLET
Deutsche Oper Tel: (030) 34384-01
● Lohengrin: by Wagner. Conducted by Hollreiser/Thielemann, produced by Götz Frederich; 6pm; Apr 30
● The Masked Ball: by Verdi. Conducted by Rafael Frühbeck de Burgos/Sebastian Lang-Lessing, produced by Götz Friedrich; 7.30pm; Apr 26

■ BRUSSELS

CONCERTS
Beaux-Arts Tel: (02) 507 82 11
● Belgian National Orchestra: with the Brussels Choral Society led by Tom Cunningham and mezzo-soprano Penelope Walker. Yuri Simonov conducts Elgar's "The Dream of Gerontius"; 8pm; Apr 29

■ FRANKFURT

CONCERTS
Alte Oper Tel: (069) 1340 400
● Evening of Songs: with soprano Margaret Price and pianist Thomas Dewey in a programme that includes Wolf and Strauss; 8pm; Apr 26
● Radio Symphony Orchestra Frankfurt: Andrew Litton conducts Elgar, Walton and Britten/Dowland; 8pm; Apr 27, 28
● Viennese Mozart Academy: with clarinetist Peter Schmidl. Yehudi Menuhin conducts Pärt and Mozart; 8pm; Apr 25

■ LONDON

CONCERTS
Barbican Tel: (0171) 638 8891
● English Chamber Orchestra: with soprano Barbara Hendricks. Hubert Soudant conducts Pergolesi's "Stabat Mater" and Fauré's "Requiem"; 8pm; Apr 27
● Grand Classical Gala: Martin Merry conducts the National Symphony Orchestra in a programme that includes Verdi, Orff, Strauss and Ravel; 7.30pm; Apr 30
● Puccini Gala Night: Paul Wynne Griffiths conducts the London Concert Orchestra with sopranos Christine Teare and Clare Rutter, and tenors Adrian Martin and Julian Gavin for an evening of Puccini highlights; 8pm; Apr 29
Queen Elizabeth Hall Tel: (0171) 928 8800
● Orff and Poulenc: Ian Humphris conducts the National Westminster Choir and the Westminster Philharmonic Orchestra to play Orff's "Carmina Burana" and Poulenc's "Gloria"; 7.45pm; Apr 26
Royal Festival Hall Tel: (0171) 928 8800
● Finnish Radio Symphony Orchestra: with pianist Alexei Lubimov. Jukka-Pekka Saraste conducts Sibelius, Bartók and Tchaikovsky; 7.30pm; Apr 25
● The London Philharmonic: Franz Welser-Möst conducts Pärt, Sibelius, Martin and Shostakovich; 7.30pm; Apr 27
● The Michael Nyman Orchestra: with harpsichordist Elizabeth Chojnacka and mezzo-soprano Hilary Summers. World premiere of the orchestra brought together especially for the Nyman series and includes the premiere performance of "Carrington"; 8pm; Apr 29
GALLERIES
Serpentine Tel: (0171) 402 0343
● Take Me (I'm Yours): a unique opportunity to touch, use, test, buy or take away the objects in this exhibition that has been selected by Swiss curator Hans Ulrich Obrist; to May 1
OPERA/BALLET
English National Opera Tel: (0171) 632 8300
● Don Giovanni: a new production of Mozart's opera. House debuts for director Guy Joosten and conductor Markus Stenz; 7pm; Apr 27, 29
Royal Albert Hall Tel: (0171) 589 8212
● The Masked Ball: by Verdi. Conducted by Edward Downes, directed by Patrick Young and with soloists Deborah Voight, Lillian Watson and Luciano Pavarotti; 7.30pm; May 1
Royal Opera House Tel: (0171) 304 4000
● Mixed Programme: a Royal Ballet production that includes a new production of the Frederick Ashton choreographed "Rhapsody" and the world premiere of "New Forsythe Ballet", choreographed by William Forsythe to the music of Willems; 7.30pm; Apr 27, 29 (7pm)
● The Masked Ball: by Verdi. Conducted by Edward Downes, directed by Patrick Young and with soloists Deborah Voight, Lillian Watson and Luciano Pavarotti; 7.30pm; Apr 28
● The Yeoman of the Guard: by Gilbert and Sullivan. A Welsh National Opera production conducted by Charles Mackerras; 7.30pm; Apr 25

■ MADRID

GALLERIES
Prado Tel: (91) 420 28 36
● Sebastiano Del Piombo: Venetian born artist of the Italian Renaissance. This exhibition explores his influence on Spanish painting during the 16th and 17th centuries; to Apr 30

■ MUNICH

GALLERIES
Bayerische Staatsgemälde sammlungen Tel: (089) 23 80 50
● Henri de Toulouse-Lautrec: posters; to Apr 30
Haus der Kunst
● Deutsche Romantic: previously on show in London, this exhibition has created much discussion in Germany. It examines the work of early German Romantic painters and their cultural and political impact on successive generations of German artists; to May 1

■ NEW YORK

CONCERTS
Alice Tully Hall Tel: (212) 875 5050
● New World Symphony: Michael Tilson Thomas conducts Ives, Dahl, Bach and Copland; 8pm; Apr 29
Avery Fisher Tel: (212) 875 5030
● American Symphony Orchestra: with conductor Leon Botstein, tenor Thomas Young, baritone William Sharp and the New York City Gay Men's Chorus in a programme celebrating the 50th anniversary of the founding of the United Nations; 3pm; Apr 30
● New World Symphony: Michael Tilson Thomas conducts Mahler and his own "Diary of Anne Frank"; 8pm; Apr 28
Carnegie Hall Tel: (212) 247 7800
● Boston Symphony Orchestra: with soprano Sylvia McNair. Seiji Ozawa conducts Ravel, Schoenberg and Berlioz; 8pm; Apr 28
GALLERIES
Museum of Modern Art Tel: (212) 708 9480
● Kandinsky: Compositions: exhibition featuring approximately 40 works including seven of the surviving "Composition" paintings; to Apr 25

■ PARIS

CONCERTS
Châtelet Tel: (1) 40 28 28 40
● Daniel Barenboim: pianist and conductor with the orchestra of the Deutsche Oper Berlin in a programme that includes Beethoven; 8pm; Apr 26, 28
GALLERIES
Musée d'Orsay Tel: (1) 45 49 11 11
● James McNeill Whistler: exhibition of works; to Apr 30
OPERA/BALLET
Opéra National de Paris, Bastille Tel: (1) 47 42 57 50
● Iphigénie en Tauride: by Gluck. Conducted by Graeme Jenkins, produced by Achim Freyer; 7.30pm; Apr 27

■ WASHINGTON

CONCERTS
Kennedy Center Tel: (202) 467 4600
● Murray Perahia: pianist plays Handel, Schumann and Chopin; 7pm; Apr 26
● National Symphony Orchestra: with conductor/violinist Iona Brown plays Mozart, Bach, Barber and Handel; 8.30pm; Apr 25 (7pm)
● National Symphony Orchestra: with pianist Tzimon Barto. Zdenek Macal conducts Ott, Grieg and Brahms; 8.30pm; Apr 27, 28, 29

WORLD SERVICE
BBC for Europe can be received in western Europe on Medium Wave 648 kHZ (463m)

EUROPEAN CABLE AND SATELLITE BUSINESS TV
(Central European Time)
MONDAY TO FRIDAY

NBC/Super Channel:

07.00
FT Business Morning

10.00
European Money Wheel
Nonstop live coverage until 14.00 of European business and the financial markets

17.30
Financial Times Business Tonight

Midnight
Financial Times Business Tonight

Cliffhanger in licence saga

Channel 5 bidders are lining up for big headaches and bigger costs, says **Raymond Snoddy**

One of UK television's longest-running soap operas, the attempt to launch a fifth national channel television, comes to a head next week when bids go in – for the second time – for the right to run the channel.

The availability of frequencies for an extra television channel was first spotted in 1985 by the Peacock Committee, the inquiry into the financing of the BBC.

But it was only after the 1990 Broadcasting Act that the Independent Television Commission invited bids to run the new channel. The ITC rejected the only bid for the channel – £1,000 a year – from a consortium led by Thames Television, largely because potential investors such as the US media giant Time Warner were judged to be insufficiently committed to the project.

But a week today, a second round of bidding will be completed for the right to run what is probably the last conventional television channel in a major market in Europe. Four and possibly five consortia will line up with multi-million pound bids for the licence.

The irony is that there should now be such interest in spending about £200m on creating such a channel when the competitive conditions have become more demanding, since 1992, not less.

On offer is a channel that will be able to reach only about 70 per cent of the UK population. The danger of interfering with the signals of continental European broadcasters means that the gaps in coverage include large areas south of London, home to many of the most prosperous people advertisers hope to reach. In some parts of the country, viewers will have to be persuaded to buy a new aerial to receive the channel.

The channel comes complete with large headaches and unusual costs. The frequencies that will be available to Channel 5 are at present used by millions of video recorder owners. The lucky winner will have to retune millions of videos at a cost likely to be between £50m and £70m.

One certainty is that the ITC, fearful of having its switchboard jammed by angry video viewers suffering interference from the Channel 5 signal, will exclude any bidder not setting out a foolproof plan for retuning video recorders.

If this hurdle is overcome, the Channel 5 operator will have to carve out an audience and a stream of advertising revenue in the face of strong competition from the existing broadcasters. These include ITV, which spends about £700m a year on its programmes, Channel 4 and the growing number of cable and satellite channels which could multiply into several hundred during the 10 years the licence will be awarded for.

The main prize tempting bidders is that they could put together a programme schedule sufficiently attractive to win a respectable audience in the 15m or so homes that ought to be able to receive the channel. Cable and satellite channels, by comparison, reach less than a third of that total in the UK.

With revenue in the first year unlikely to reach more than £75m to £100m, winning a substantial audience will be a challenge. The task will be made no easier by the requirement to include 40 per cent of originally produced or commissioned programmes at the outset, rising to 65 per cent over six years. Bidders are expected to spend between £80m and £120m a year on programmes, so bids are unlikely to be more than £10m.

The emerging, and increasingly controversial, favourite to take the licence is the consortium led by BSkyB, the satellite broadcasting operation of which Mr Rupert Murdoch's News Corporation owns 40 per cent (and in which Pearson, owner of the Financial Times, has a stake). It includes Granada, the leisure and broadcasting group, TCI of Denver, the US cable company, Kinnevik, the Swedish conglomerate, Goldman Sachs, the international bank, and PolyGram, the music and film division of Philips. A combination of BSkyB's extensive sports rights and options to show Hollywood movies on terrestrial television and Granada'a programme library could help to fund a very powerful bid.

Under existing broadcasting legislation, BSkyB has the right to hold 20 per cent of a Channel 5 licence. However, a move by the satellite broadcaster into terrestrial television would be likely to stir up opposition in parliament – particularly from Labour in view of Mr Murdoch's newspaper interests.

Of the four other bids expected, the runner-up is most likely to be the consortium which includes Pearson and MAI, the broadcasting and financial services group that owns two ITV franchises – Meridian and Anglia Television. Pearson has just appointed Mr Greg Dyke, who was crucial in retaining the London Weekend Television franchise, as head of its television operations. It has also recently acquired Grundy Worldwide, which makes soaps such as Neighbours.

Mr Richard Branson's Virgin Group has put together a consortium that includes HTV, the ITV company, Associated Newspapers, which publishes the Daily Mail, Philips, the consumer electronics company and Electra, the venture capital group. In previous bidding for ITV franchises, Mr Branson failed to get over the quality thresholds set by the ITC. But this time, the bid is being put together by Mr Jeremy Fox, who was involved in the last auction for ITV franchises that successfully surmounted the quality threshhold in spite of being outbid in the end.

The fourth bidder expected is a consortium put together by the Mirror Group, publishers of the Daily Mirror, and NBC, the US network company. Although the Mirror has left the final decision to bid to a board meeting tomorrow, a bid is thought likely.

CanWest, the Canadian-based international broadcaster, insists that it will be a fifth bidder. However, it has had difficulty attracting partners, and is thought likely to seek membership of another consortium.

The outcome is impossible to predict with certainty because the licence, in most circumstances, will go to the highest bidder after a quality threshold has been met. The ITC has promised to try to give its verdict by the end of January so that the channel could be on air by autumn next year.

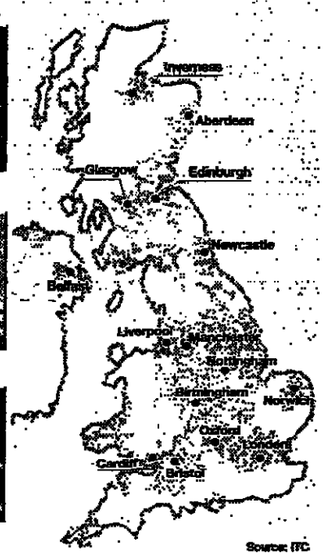
If BSkyB's bid should turn out to be the highest, the Channel 5 soap will present the ITC with a cliffhanger as it decides whether it can afford the political storm if the franchise goes to Mr Murdoch.

Channel 5: rivals seek place on the map


Rupert Murdoch


Richard Branson


Greg Dyke



Europa: **Michael Stürmer**

Germany's defence role

In the country of Clausewitz, the 19th century military theorist, strategy will have to be reinvented. The purpose for Germany this time is not to make war but to safeguard peace, or at least to make sure that the new barbarians are kept at a distance. This is a painful process for post-war Germans, who had reserved for themselves the role of shopkeepers rather than heroes. As a result of the exigencies arising from the end of the cold war, this role now needs to be modified.

In the past 40 years, the Germans could plausibly say that their stance of military restraint was based on the lessons of history. As a by-product, this policy enabled them to take the moral high ground in comparison with other nations held to be either less gentlemanly or more bellicose. With the establishment in the 1950s of the armed forces, the Bundeswehr, defence had been organised to deter war, but war was held by many Germans to be unthinkable. The underlying motive for the creation of the Bundeswehr was to bring Germany back into the "club" of western nations and, as a result, to make European defence feasible.

The new age of disorder has now, however, made war possible again. As a result, the Bundeswehr has acquired an importance far greater than the subsidiary role it held in previous decades.

In 1990, the popping of champagne corks to celebrate the end of the division of Europe was disturbed by the firing of missiles and machine guns far away in the Gulf. Meanwhile, with the eruptions on the eastern flank of the European Union, the ominous sounds have moved closer, reminding Germans that the world is still a dangerous place.

Whither the Bundeswehr? In 1989-90, when reunification turned from an East German dream into European reality, most Germans wished their country would become a happy blend of Sweden and Switzerland. German politicians hoped they still had a decade or so quietly to search their souls about the future direction of Germany's foreign and security policies.

While Germany sent cheques to allies more directly involved in the Gulf war, the constitutional court was asked to pronounce judgment on whether the 1949 constitution prevented the Bundeswehr from being deployed outside the Nato area. In 1994, the court ruled that no such impediment existed and that such deployment required no more than parliamentary approval on a case by case basis.

Since war is now more likely than it was when Europe was divided, preventive diplomacy has to be more imaginative.

However, another barrier to Bundeswehr deployment has come to the fore: the idea that the Bundeswehr cannot be dispatched anywhere to keep the peace where Wehrmacht soldiers once waged war. This proviso, strictly interpreted, would mean that, to make a contribution to present-day stability, German soldiers could go to very few places west of Moscow.

Another form of self-denying ordinance has also come into play: that any Bundeswehr sortie should take place only as part of a full UN mandate. The reality is, however, that – as a result of international pressure to hold together the Nato alliance – German soldiers may soon find themselves in Bosnia helping allied troops to withdraw.

On the European level, it is difficult to imagine an effective common foreign and security policy unless Germany pulls its weight. Germany's enthusiasm for Europe may well have to be measured in terms of its willingness to carry its part of the military burden of peace.

In this situation, Clausewitz ("Vom Kriege", 1830) may provide some useful reading material. In sharp contrast to popular opinion, the Prussian general was not in favour of easily gliding from peace to war. Rather, he impressed upon his readers that war was too dangerous a thing to be left to generals. If Clausewitzian principles are applied to modern-day peace operations, some relevant precepts can be deduced.

First, war is the most serious means applied to the most serious end. Second, military action must never be allowed to escape the leash of responsible political management. Third, such action is relatively easy to start. It is therefore advisable to know in advance what the objectives are, how achievable they are, and how to escape if things go wrong.

In today's world, if Clausewitz had a say, he would probably give some additional advice. He might start by indicating that, if Nato countries are serious about preventive diplomacy, they should act in concert, not in chaos. Furthermore, the the threat of legitimately applied force should be built into diplomacy from the start, not applied as a last resort when everything else has failed.

Wherever soldiers are sent, it is up to the politicians to take responsibility. Empty gestures will lead only to frustration and unwillingness in democratic countries to back any international action whatever its inherent merits.

Military action should be taken only if there is a capability and a will to escalate. If not, the bluff will be called, as the west's experience in former Yugoslavia unhappily makes clear. The uncertain trumpet encourages rather than discourages trouble. If deterrence is to be made to work, it will need that careful blending of diplomacy and strategy which was the centrepiece of Clausewitz's counsels.

Since war is now more likely than it was when Europe was divided, preventive diplomacy has to be more imaginative. This will be a real test of German leadership. Germany is at the centre of a continent beset by new uncertainty, and that country's armed forces will have to play a central role within the common foreign and security policy that will be high on the agenda at next year's intergovernmental conference to revise the Maastricht treaty. Unless the Germans play their part, we can say goodbye not only to preventive diplomacy in Europe's vicinity but also to much of what the Germans regard as essential: Nato and European security.

The Bundeswehr will have to be part of the western response to chaos. If not, we will depart from collective defence and be left with collective insecurity.

The author is director of Stiftung Wissenschaft und Politik, the German foreign affairs and defence policy institute.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to 'fine'). Translation may be available for letters written in the main international languages.

Epic journey has disturbing implications for Eurotunnel

From Dr. Keng M. Tang.

Sir, I refer to your recent report about Eurotunnel's £387m loss and the problems of meeting its passenger targets ("Eurotunnel warns of failure risk over £8bn bank debt", April 11). Let me tell you about my recent experience at Folkestone.

On Easter Monday, we set out with three friends on a trip of a lifetime! On arrival at Folkestone at 9:25am, I bought a special day-return ticket for £49. We were waved through by British officials who asked for our passports.

However, the French immigration officials said that I required a visa, even though I am a foreign passport holder with British permanent resident status. They started to fill in forms in triplicate, which they asked me to sign. I did so, thinking it was an application for a visa. Thirty minutes later, accompanied by a British immigration official, I was shocked to learn that I would be escorted back from the French immigration office (which is technically French territory) to British territory. What I signed turned out to be my "agreement" to be refused admission. The French official could not even manage English words to explain the situation and the British official was unco-operative. Le Shuttle lost £49 in revenue and the local economy in Calais lost some hard currency from the UK.

I made a point of asking officials of the frequency of passengers being turned away by French immigration. They admitted that it was occurring frequently.

Several insights are relevant:

- Regularly turning away passengers is likely to result in negative feedback among friends and families. What will be the impact on Eurotunnel's operating targets for passengers?
- At 9.55am on Easter Monday, the whole terminal was practically empty. Between 10.30 and 11.30am, the queue stretched only to 10-15 cars. That seems bad news for Eurotunnel for the start of the holiday season.
- There are no facilities for applying for visas. What will be the impact on Eurotunnel's operating targets for passengers?
- Is there any possibility of having co-operative English speaking French immigration officials?

Keng M. Tang,
100 Liverpool Street,
London EC2M 2RH

Vital lesson for business community hidden in Bombay's high-rise slums

From Mr Robert Davies.

Sir, It was perceptive of the FT to feature the challenge that the Dharavi slums present to rapid economic prosperity in Bombay ("Down and out in high-rise Bombay" April 15). We believe this illustrates not only the limits to sustainable progress when economic development is threatened by a hinterland of poverty, but also the challenge to business to seek out partnership opportunities for working with community groups.

Our consultations with community organisations engaged in housing, employment, and sanitation projects in the Dharavi slum community suggested that businesses, investing and expanding in Bombay and its hinterland in the new climate of Indian liberalisation, would be welcome as partners supporting community projects as long as they are good listeners and build rather than undermine the self-help potential of local groups.

The recently launched Indian Business and Community Partnership, with local partners in India, adopts this as one of its priorities. Indian and international business can be a force for change, rather than waiting for the benefits of growth to trickle down, if sensitive to the partnership and the fact that growing wealth cannot be sustained unless balanced with commitment to social development.

Robert Davies,
chief executive,
The Prince of Wales Business Leaders Forum,
5 Cleveland Place,
London SW1Y 6JJ, UK

JFK airport's perils are a matter of perspective

From Mr Michael D. Varcoe-Cocks.

Sir, JFK is certainly the worst airport – large or small – I have the misfortune to use, but your correspondent exaggerates the problems of getting there from Manhattan (Survey of Business Air Travel: "Poor welcome to Big Apple", April 20).

First, on the subject of the subway: there are many even "less desirable parts of New York City" than those through which the A-train goes on its way from the airport to central Manhattan.

I have usually found the trip to take about 90 minutes, not two hours, and moreover it is a bargain for those with little luggage and for whom the costs come out of their own pockets.

Second, on the subject of taxis: your writer quotes $50 and one hour in light traffic, but returning this week from the Upper West Side my cab took half an hour and the total (tolls and 15 per cent tip included) was $37.

Lastly, on the subject of airport buses, which your writer did not mention: perhaps FT readers do not use them!

Good bus services at about $12 run to Manhattan from all New York airports, with drop-off points at the main hotels or close enough to most destinations for the journey to be completed by cab for only an extra $4 or $5.

Michael D. Varcoe-Cocks,
5 Brackenbury Road,
London W6 0BE

A missed opportunity for non-proliferation

From Mr Pete Roche.

Sir, The announcement by Douglas Hurd, the foreign secretary, that the UK is to cease production of fissile materials for weapons was a bit of a con ("UK 'has halted the build-up of N-material' ", April 19). The UK has about 3 tonnes of weapons-grade plutonium, and has probably not produced any since 1979. It re-cycles material from old nuclear weapons into new ones. Most of our enriched uranium has been imported from the US. The UK has already announced that fissile material from dismantled weapons will be recycled.

Dr Klaus Kinkel, the German foreign minister, called for "weapons-grade fissionable material from dismantled weaponry... not [to] be used to build new weapons". If Mr Hurd had announced such a bold step, which would mean no further Trident warhead production, he would have made a genuine contribution to non-proliferation rather than the cynical gesture we saw.

Pete Roche,
Greenpeace UK,
Canonbury Villas,
London N1 2PN

Confusing trade statistics for Latin America highlight urgent need for revised calculations

From Mr Victor Bulmer-Thomas.

Sir, Economists preach the division of labour and practice it by leaving to statisticians the preparation of the statistics on which economic policy is based. What, however, happens when the statistics are contradictory?

A case in point is provided by two articles in the *Financial Times* for April 4.

A report on world trade prepared by the World Trade Organisation (WTO) refers to an increase in Latin American exports last year of 15 per cent.

On the following page, a report from the InterAmerican Development Bank conference in Jerusalem referred to an increase of 9 per cent. When price increases are stripped out of these figures, the volume increases are 10 per cent and 4 per cent respectively.

Real GDP is estimated to have grown by 4.1 per cent in Latin America last year.

Consequently the higher trade estimate for the volume of exports implies successful export-led growth, fully justifying the tough measures adopted in support of adjustment programmes in the last 10 years. The lower figure, however, means that exports barely kept pace with the expansion of the economy, implying that the export sector is still failing to act as an engine of growth. One set of figures implies success and the other failure.

At the level of the nation state, such inconsistencies are resolved eventually by means of departmental wrangling. No such mechanism exists at the international level. At a time when Prime Minister John Major is preparing an important initiative for the meeting of the G7 in June to reform a number of international organisations, is it too much to ask that those civil servants preparing the documents should give some thought to ways in which these statistical inconsistencies could be resolved?

Victor Bulmer-Thomas,
University of London,
Institute of Latin American Studies,
31 Tavistock Square,
London WC1H 9HA, UK

هكذا من الاصل

FINANCIAL TIMES
Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700
Tuesday April 25 1995

Respite for Dini

In Italian politics, a large step backwards is often the precursor of a cautious step forward. After the sharp fall of the lira added to uncertainties over the future of Mr Lamberto Dini's government earlier this year, this weekend's regional and local elections have brought the prime minister a breathing space. Mr Silvio Berlusconi, Mr Dini's predecessor, who had been hoping for a rapid return to office, fell well short of the overwhelming victory that could have prompted a dissolution of parliament and a June general election.

The two broad alliances now dominating Italian politics emerged with nearly equal scores. Mr Berlusconi's right-wing Freedom Alliance gained around 42 per cent of the vote, matched by the centre-left led by the former communist Party of the Democratic Left. This near-stalemate offers little prospect that an early election would produce a conclusive result. Mr Dini thus has a little more time in which to carry out the crucial reforms to which he committed his government of technocrats in January, above all measures to restructure the pensions system and reduce the chronic budget deficit.

Mr Berlusconi had been hoping for an unstoppable call for elections that would return him to power this summer, but his supporters' score was more than 10 percentage points below last week's forecasts. It is too early to conclude that Mr Berlusconi is a spent force, but the momentum that has maintained him in the forefront of politics has faded. If the referendums planned for June on broadcasting reform result in a signicant trimming of Mr Berlusconi's media hold, his chances of a come-back in an autumn election will be further eroded.

The message of the weekend polls is that Italy is inching with difficulty towards the bi-polar political system that seems to provide the best basis for effective government. The forces holding together the two right and centre-left alliances are still fragile. Of the two, the coalition of the centre-left seems slightly more uncertain, since unity may be undermined by the relatively strong showing of Reconstituted Communism (RC), formed from the hard left of the old Italian communist party. Yet the signs of political realignment are unmistakeable, forming a welcome platform for greater political stability.

The international financial climate will not become any less forgiving, particularly in view of fears that the lira's depreciation has worsened the inflation outlook. The prime minister's job, too, is no less difficult than before: to build a national consensus on the tough, permanent measures that a future elected government will have to take to restore Italy's political and financial credibility. After this weekend's respite, Mr Dini now has months, rather than weeks, to carry out his task. In Italy's dire circumstances, that adds up to a modicum of good news.

Arms and the IRA

The announcement that British ministers are now ready to participate in preliminary discussions with Sinn Féin is to be welcomed. The impasse over the terms under which Mr Michael Ancram, the Northern Ireland minister, would join his civil servants in the talks with the IRA's political wing risked undermining the ceasefire in the province.

The formula found to break the deadlock is a careful compromise. The government, rightly, has not accepted a direct link between the decommissioning of IRA arms and Sinn Féin's demand for the complete "demilitarisation" of the province. The attempt by Sinn Féin to give legitimacy to the IRA's illegal weapons' stockpiles by tying them to the presence in the province of British security forces was unacceptable.

The government, however, has also shown flexibility. To a degree it is taking Sinn Féin on trust. The Northern Ireland Office's statement on the new phase of negotiations says "no subject is excluded from the dialogue". In other words, there is nothing to stop Sinn Féin representatives from raising with Mr Ancram Republican calls for the withdrawal of the British army.

To those unacquainted with the fragile politics of Northern Ireland, the distinction may seem like sophistry. But entrenching the ceasefire requires that contacts with Sinn Féin do not undermine support for the peace process among the Unionist majority. The government had to be able to say, hand on heart, that ministerial contacts with representatives of the IRA were on the same terms as those that have already taken place with leaders of the protestant paramilitaries.

It now falls upon Sinn Féin to make good the private assurances it has given to engage in substantive discussion on arms decommissioning. Unless visible progress is achieved, there can be no question of Sinn Féin joining the wider constitutional talks on which Sir Patrick Mayhew, the Northern Ireland Secretary, is now embarking.

There is a role too for the Irish and for the US governments. In recent weeks senior politicians in the Irish Republic have suggested that the British terms for ministerial talks were an unnecessary stumbling block to the peace process. They have warned that the IRA's response might be a return to violence. Such comments are dangerous, implying an acceptance that the IRA can be permitted to threaten its way to the negotiating table. Now that Mr Ancram is to join the talks, Dublin should concentrate its attentions on applying the maximum possible pressure on Sinn Féin.

President Bill Clinton, contemplating in recent days the tragedy of the terrorist bombing in Oklahoma, should do the same. The White House should make clear to Mr Gerry Adams, the Sinn Féin president, that he will be welcomed again in the US only when the IRA has shown itself willing to give up its guns and explosives.

Unhappy France

"Socialist takes clear lead in French poll." That or something like it is the unavoidable headline on the result of the first ballot in France's presidential election, held on Sunday. But a knee-jerk rush to dump the French franc would be doubly foolish. First, it is under a Socialist president that France has become firmly committed to a "strong franc" policy, and there is no reason to think that Lionel Jospin would be less so than François Mitterrand. Second, this *was* only the first ballot, and Mr Jospin's chances of actually becoming president in a fortnight's time are hardly less remote than they were last week.

Undoubtedly Mr Jospin has done well, in the mere 11 weeks since a thoroughly demoralised Socialist party chose him as its candidate, in pulling the left-wing vote together. Evidently many left-wing voters realised that only by backing him in the first round could they avoid being ignominiously eliminated from the second. The fact remains that he owes his lead above all to the division of the right, and that the right-wing votes outnumber those of the left by roughly three to two.

Jacques Chirac must have had a nasty shock. He will no doubt be relieved to have a clean fight in the second round against an ideological opponent, rather than a continuation of the internecine battle with his fellow Gaullist and former protégé, Edouard Balladur. But he will be chagrined at having to start three points behind Mr Jospin, and at having so narrowly avoided elimination by Mr Balladur.

To accuse him of complacency would be unfair. It was his supporters who kept shouting *on a gagné* ("we've won"), while he reminded them that "until the last minute, we have not won". Yet the voters seem to have wanted to punish him for being in front, just as they did Mr Balladur at an earlier stage in the campaign.

Over 15 per cent – more than ever before – voted for Jean-Marie Le Pen, the National Front leader, and another 5 per cent for the right-wing Eurosceptic, Philippe de Villiers. At the other end of the spectrum, 5 per cent voted for the veteran Trotskyist Arlette Laguiller, in addition to nearly 9 per cent for the Communist Robert Hue. It is as though the electorate were determined to make sure that whoever eventually emerges as president does not take office feeling too pleased with himself; above all, that he does not imagine they, the voters, are happy with the way France is being run by its political class, irrespective of party.

The France that voted yesterday is a discontented France. It eliminated Mr Balladur because, as prime minister, he could not help being the candidate of continuity, and appeared also the candidate of self-satisfaction. It has been encouraged by all the candidates, and not least Mr Chirac, to think that things can be better. If Mr Chirac wins, as he is still almost certain to, he will face expectations he can hardly satisfy.

Battle for French floating voters

David Buchan examines the right-left tussle between Jacques Chirac and Lionel Jospin for the presidency after the first round of voting

The French presidential election is a two-battle war, in which the two generals surviving the first skirmish seek to rally whatever leaderless troops they can find for the final showdown.

On Sunday, Mr Lionel Jospin, the Socialist candidate, won the first confrontation. But Mr Jacques Chirac, the gaullist candidate, is still the favourite to win the second round on May 7. He has bigger reserves on his right flank to draw on, although overt support from followers of Mr Jean-Marie Le Pen, leader of the far-right National Front who came fourth in Sunday's vote, would lose him many votes in the centre.

Mr Jospin's surprise win in the first round over his two gaullist rivals, Mr Chirac and prime minister Edouard Balladur – who has now been eliminated – makes for a more interesting and uncertain final round. After he proved all the pollsters wrong in the first round, no one can completely write off Mr Jospin's chances of success.

A left-right confrontation in the final round is also probably good for French democracy. The voter turnout on Sunday, at 78.4 per cent, was nearly three points lower than the first round figure in the last presidential election in 1988. If the May 7 run-off had been an all-gaullist affair between Mr Chirac and Mr Balladur – as seemed possible until Sunday evening – many more voters, especially on the left, would probably have stayed at home.

Less healthy for the country is that left and right are being pulled further apart by their extremist fringes. "On top of the traditional left-right cleavage is now superimposed the rise of a neo-populism which is reflected in the good performance of the extreme left and extreme right," Mr Franz-Olivier Giesbert, editor of Le Figaro newspaper wrote yesterday. He was commenting on the fact that the "mainstream" candidacies of Messrs Jospin, Chirac and Balladur only won 62 per cent of Sunday's votes; the rest were won by candidates whose parties or movements are – with the exception of the Communists – almost completely unrepresented in the National Assembly.

People elsewhere in Europe may be perturbed by the fact that the minority candidates all declared themselves against the European Union, in its present form. Foreigners, and many French, cannot fail to be disturbed by Sunday's strong vote for Mr Le Pen in border areas, where concerns about immigration are highest. Mr Le Pen's strongholds now line many of France's frontiers – in Moselle, Alsace, part of the eastern Rhône valley, and on the southern coast from the Riviera to the eastern Pyrenees.

But unemployment was equally responsible for Mr Le Pen raising his score to 15 per cent, up slightly from his 14.5 per cent performance in 1988, despite this time facing competition on the right from the anti-European conservative, Mr Philippe de Villiers. The most striking feature of the table accompanying this article is that nearly one third (31 per cent) of the voting unemployed cast their ballots for the National Front leader.

Of the "mainstream" candidates only Mr Jospin managed a score among the unemployed that was as high as his overall total (23 per cent); the Socialist candidate's call for a reduction in the standard working week from 39 to 37 hours by 1997 in order to open up more job slots was evidently appreciated by some of the jobless. Mr Jospin has also been the only major candidate to call for a cut, albeit a moderate 1-2 per cent a year, in defence spending. His success on Sunday may be a sign that the consensus on maintaining military expenditure is beginning to crack five years after the end of the cold war.

But most commentators yesterday attributed Mr Jospin's success to the way he has kept just the right distance from President Mitterrand and his mixed record during 14 years at the Elysée. Jospin, Le Figaro said yesterday, had "incarnated renewal without assuming the inheritance [of the Mitterrand era] or acting as its assassin".

In his campaign rallies, Mr Jospin has chosen to spotlight Mr Mitterrand's European and social policy achievements, while leaving in shadow the scandals that erupted during his reign. Nor, in contrast to allegations of improper personal enrichment that swirled around Mr Chirac and Mr Balladur during the campaign, has any doubt arisen about Mr Jospin's financial probity. Indeed, the Socialist candidate is said to have been worried that the paucity of his personal assets – the result of a recent divorce settlement – might actually count against him with the electorate.

However, he faces an uphill struggle against a traditional right which was yesterday busy trying to reunite. This task of reconciliation was made easier by the closeness of the scores on Sunday between Mr Chirac, with 20.8 per cent, and Mr Balladur, with 18.5 per cent. At the end of the long battle between the two men, there was therefore no triumph for the victorious Mr Chirac nor humiliation for the vanquished Mr Balladur. The prime minister was swift to pledge his support for Mr Chirac, and the mayor of Paris was clearly grateful to receive it.

The defeated Balladur camp therefore has some bargaining power over the Chirac campaign. In the short term, this is likely to mean that the mayor of Paris will include some Balladurian themes – European integration, fiscal discipline and sound monetary policy – into his final campaign speeches. Mr Chirac may also drop some of his rhetoric about giving workers a bigger share of the fruits of economic growth. Apart from irking the Balladurian right, this theme of redistribution preached by Mr Chirac "may have given a new legitimacy to the Socialist candidate", noted Mr Serge July, editor of the Libération newspaper, yesterday.

In the longer term, Mr Chirac will be expected to incorporate some erstwhile Balladur loyalists into any government he forms and to give some weight to the centre-right UDF federation. The UDF had largely deserted its leader, ex-president Valéry Giscard d'Estaing, to back Mr Balladur.

Reconciliation with Mr Balladur's supporters would also deter Mr Chirac, if and when he is elected president, from calling fresh parliamentary elections. A snap election had seemed possible in the case of a Chirac-Balladur presidential contest carried to the bitter end; this would have probably irremediably split the RPR-UDF majority in the National Assembly, requiring a President Chirac to try to get himself a new majority.

Even if he does win on May 7, Mr Chirac will still have Sunday's vote to remind him of the continued strength of the Socialists, and to dissuade him from risking a parliamentary election. According to the constitution, this does not have to take place until 1996.

By far the trickiest balancing act for Mr Chirac is how to win some National Front support without any overt wooing. It is so tricky that he will probably leave the task to others. Mr Alain Juppé, the pro-Chirac foreign minister, had a go yesterday. While saying he did not share Mr Le Pen's values, Mr Juppé, tipped as a Chirac-appointed prime minister, said those who voted for Mr Le Pen were expressing preoccupations about which "all candidates, and in particular Jacques Chirac, must take account of".

Among these preoccupations, Mr Juppé said, were "law and order in our cities and suburbs and the preservation of a certain form of national identity". On the other hand, Mr Juppé cautioned that Mr Le Pen's rise should not be exaggerated. The National Front leader had only improved his presidential score by half a percentage point in seven years, Mr Juppé noted.

But Mr Chirac may have been seriously shaken by the fact that he has only managed to improve his first-round score by three percentage points over the three presidential elections he has contested. After his second defeat in 1988, he suffered a brief bout of depression, convinced that he was doomed to a limited electoral appeal.

In recent weeks, he, and the pollsters, clearly thought that this time he had conquered a wider public. Given the forces now in his favour, he still has no reason to think he will lose. But the main event of the second round campaign will be, at long last, a television debate on May 2, between the two presidential finalists. Television is not Mr Chirac's favourite medium. If he were to be shaken in debate by Mr Jospin, revitalised by his Sunday victory, the outcome of the second round on May 7 might be genuinely uncertain.

The Big Four: how the votes were won

First round vote (%)	Lionel Jospin Socialist party	Jacques Chirac RPR (Gaullist)	Edouard Balladur RPR (Gaullist)	Jean-Marie Le Pen National Front
Total share of the vote	23.30	20.84	18.54	15.00
By age				
18-20	22	21	14	14
21-24	20	30	12	16
25-34	27	19	11	19
35-49	24	20	12	15
50-64	19	19	23	16
Over 65	25	17	34	13
By profession				
Farmers	21	25	25	13
White-collar	26	19	13	16
Blue-collar	23	15	9	22
Retired	21	18	27	16
Unemployed	23	15	6	31
By sex				
Male	22	22	15	17
Female	24	18	22	14

Source: CSA Institute

Dirty tricks on the deregulation line

PERSONAL VIEW

Since 1992, the European Union has been committed to deregulating telecommunications to create an open market by 1998. Many in the telecoms sector assume that the process is progressing in a positive and planned fashion.

However, there is a wide gap between the principles of EU directives on telecommunications and conditions in most of the markets they cover. Throughout continental Europe, laws to promote competition on international and national telecom services are being ignored as a matter of routine.

For example, most of the national telecoms monopolies have failed to provide accurate data on their underlying costs, as required by the EU more than a year ago. The national regulators need this information so that they can bring telecom charges closer to costs, one of the goals of the EU programme.

Just as important, anti-competitive business behaviour is common in many EU countries. These "dirty tricks" include:

- The setting of prices that are arbitrary, discriminatory and lacking in transparency – for example, offering individual customers special prices to ward off a competitor
- Using profits made in sectors such as local telephone services where there is no competition to subsidise activities in competitive sectors such as provision of equipment
- The abuse of privileged information the national telecoms operators obtain from their monopolies. For example, when approached by new telecom operators who need to lease local lines to link customers to their networks, some have used the information to identify customers that are poised to leave their grip and mount efforts to keep them.

Anti-competitive practices are also occurring in markets that are competitive in theory, but controlled by the national monopolies in practice. One such market is that for internal office telephone systems or private branch exchanges which allow large business users to control and route their telephone and fax traffic. New telecoms service providers must modify customers' exchanges to divert calls over their networks, but in some cases, the national monopoly refuses to modify exchanges it has supplied to do this.

Another strategy used by the national monopolies is to circumvent restrictions on operating in their home markets by moving into other countries through alliances with other telecoms companies. In some cases, they also set up separate companies in their home markets to compete against new entrants in segments that have been liberalised – for example, mobile telecommunications. Safeguards to prevent such ventures from benefiting from direct and indirect subsidies, as well as favouritism, from their monopoly parents are usually hopelessly inadequate.

While governments own monopoly companies they are unlikely to encourage real competition

Telecoms monopolies should not be allowed to operate in liberalised markets while their home markets remain closed. Consumers are forced to wait for lower prices and new services, while their national monopoly suppliers stalk the globe in search of new opportunities – subsidised by years of artificially high prices.

The regulators bear much of the blame for the damage that has been done to the market as a result of such practices. They have failed to force the national telecoms operators to separate monopoly services from those that are competitive to stop cross-subsidisation. They have also failed to enforce the laws on providing data on costs, so that charges still do not reflect underlying costs.

It is not surprising that the monopolies are unwilling to relinquish their dominant positions. But as long as governments own part or all of their monopoly telephone companies, they are unlikely to encourage real competition that will erode the value of their stakes in these companies.

In the UK, privatisation and liberalisation have resulted in the emergence of British Telecommunications as an important international company and London as the telecommunications hub of Europe. BT still has some outstanding issues to resolve, such as the charges made for connecting competitors to their customers through the local network. But the fact that BT's prices are significantly lower than those charged by most European telephone monopolies is compelling evidence of the benefits of successfully managed liberalisation.

It is time the illegal practices of the telecommunications monopolies were exposed. National operators in almost every EU country are overcharging their customers to the tune of billions of Ecus every year. All talk of building a telecommunications superhighway in Europe is premature until these fundamental issues are resolved.

Michael Potter

The author is director of Esprit Telecom, a telecommunications company.

OBSERVER

The Financial Times

Currency flotation

■ Sometimes it actually does rain money. Venezuelan police – who believed a criminal court judge had accepted a cash bribe in return for letting an accused man go free – have just paid a visit to the judge's apartment outside Caracas, in the hope of catching her red-handed with part of the bribe money. But the judge, Melida Aleksik Molina, heard the approaching law men and, in an effort to dispose of the evidence, began throwing packets of Venezuelan currency out of the window of her 20th floor flat, much to the joy of her neighbours, who picked up as much as they could. Police estimate that the judge defenestrated the equivalent of nearly $5,000, no small sum by Venezuelan standards.

It's not clear how much money police recovered from this rather unorthodox re-distribution of wealth programme; the judge and two alleged accomplices were arrested on charges of extortion. No litter charges are planned.

Naughty boys

■ Slapped wrists for the main French television channels over their presidential election coverage on Sunday night. The audio-visual regulator has written to France-2, complaining that it "will not tolerate" any repetition of its decision to announce the findings of its exit polls before the booths closed at 8pm. Stop-watches in hands, the regulators noticed that the channel declared the result at 7.58pm and 10 seconds, while TF1 gave its estimate at 7.59pm and 2 seconds.

Glossed over

■ This takes revenge onto a completely new plane. A Californian man, Reynaldo Fong, furious over a land deal that fell through, has just been sentenced to one year in prison for having arranged to send the property owner 90,000 magazines.

"I got every known magazine on the face of the earth," said Theresa McConville, who was pestered by the deliveries for 13 years.

Small change

■ Now this is the type of thing that brings joy to Observer's hard-bitten heart. The Industrial and Commercial Bank in China is about to extend to all of its branches a policy which has been pilot-tested at the branch in Jinan, in the north-east coastal province of Shandong.

The Jinan outpost produced last August a list of 90 "uncivilised" responses which its employees must not use to customers. They included such well-worn phrases as: "Can't you see I'm busy?" and "that's not my responsibility." Also banned are: "Wait over there" and "if you don't like it, talk to the management."

But another prohibited expression – "I don't know" – seems rather innocuous, almost a positive improvement to the kind of remarks Observer encounters in banks. At least it shows a degree of honesty.

Crime doesn't pay

■ Watch out for a crime boom in, of all places, Brazil, which is anyway hardly a contender for the International Golden Truncheon Award. The reason is that the country's federal police service is almost bankrupt, according to the Rio newspaper *Jornal do Brasil*.

"It's a sad situation," are the reported words of the service's director, Vicente Chelotti, who last week chipped in the equivalent of $1,650 of his own money in order to stage an anti-crime operation. Chelotti reckons the last government left the service $4.4m debt.

His four agents in the western Amazon frontier state of Rondonia don't have any money for their patrol cars; they use the bus instead. Branches in the north-eastern coastal capital Maceio and the southern town of Santa Maria have been asked to vacate buildings, having failed to pay the rent.

Not so much Interpol, as Interplate – being handed round right now.

Please be seated

■ Thank goodness for high-level international summits; they give the chance to tart the place up a bit. Lavatories at the Maritime Museum of the Atlantic – where leaders of the G7 industrialised nations will conduct their summit in June – are being improved, requiring the museum to close for up to six weeks while workers come in.

The extensive renovations are at the request of those organising the summit, according to museum director David Flemming: "We'll be closing whenever the contractors come in... it's pretty hard to stay open if we don't have public washrooms."

And we thought the big decisions were always made in smoke-filled rooms...

Smart card

■ What weak dollar? Smart Money, the Wall Street Journal's personal business magazine, is pursuing a high risk pricing strategy in Britain. Its UK distributor has converted its $2.50 cover price to £2.70, which is £1.15p more than it should be. If the mag is worth reading, then the really smart money would buy it in the US and get it sent over by post.

100 years ago

Austrian nationalisation
At to-day's sitting of the Budget Committee the Minister of Commerce made a statement in regard to the projected acquisition of the railways by the State. The railways which had been acquired up to the present formed, he said, but an incomplete network which could not be made the basis of a uniform scheme of railway policy. He regretted to say that the last conference with the Hungarian Government on the subject had in no way advanced the negotiations.

Electric lighting
Good evidence of the progress made by electric lighting was given yesterday at the meeting of the County of London and Brush Provincial Electric Lighting Company. This country has been slow in adopting electricity as an illuminant compared with the United States, South America and some parts of Continental Europe, but we have the satisfaction of knowing that we are now waking up to its advantages.

FINANCIAL TIMES
Tuesday April 25 1995

Lloyd's may hasten plan for transfer of liabilities

By Ralph Atkins in London

Lloyd's of London is accelerating its financial reorganisationin order to secure the insurance market's future prosperity.

In an interview with the Financial Times, Mr David Rowland, Lloyd's chairman, said the market was considering speeding up plans to extend the scope of Equitas – a separate company being set up this year by Lloyd's to which billions of pounds of liabilities on old loss-making policies are to be transferred.

Until now, only liabilities from before 1986 were being considered for transfer to Equitas. Under the new proposals, liabilities up to and including 1992 would also be moved into Equitas to help create a "clean" insurance market for investors.

Mr Rowland said the proposal was being studied as part of a fundamental re-examination of the insurance market's recovery plans.

The results of the review are expected to be announced by the time of Lloyd's annual general meeting on May 30.

His remarks came as the insurance market denied reports that it faced a solvency crisis and that the Department of Trade and Industry might have to curb its trading activities. Lloyd's officials said the market was losing business because of ill-informed speculation.

Meanwhile, the Association of Lloyd's Members predicted the market would show a loss of up to £1.7bn ($2.75bn) on its 1992 account. Under Lloyd's three-year accounting system, the 1992 result will be declared next month. Such a loss would be larger than previously forecast. However, the association said the 1993 account was "one of the best years in Lloyd's history".

Minories, the Lloyd's members agency, predicted Lloyd's would this year seek £1.3bn from Names – individuals whose assets have traditionally supported the insurance market – to cover cumulative losses in recent years.

Mr Rowland yesterday published his statement in Lloyd's annual report, due to be released at the weekend, in an effort to help restore confidence in the market. In it he tells Names that Lloyd's is satisfied "on the basis of our progress to date, our knowledge of the substantial profits already earned in the 1993 and 1994 accounts, and of the proposals we are considering" that it is a "going concern".

Yesterday, Mr Rowland attacked recent media coverage of Lloyd's, saying: "It [insurance] is a business that is built on confidence . . . We do have a very considerable talent in this country in the last years for destroying the very things that we need to build up."

Equitas is expected to be set up from the end of this year. It will offer some relief to Names who are trapped as Lloyd's members by uncertainty about future bills.

In its original form Equitas was designed to deal with pre-1986 liabilities which have brought serious losses to some members. Concern about liabilities after 1986 has prompted Lloyd's to seek to broaden the already ambitious Equitas project to cover policies sold up to 1992.

Centre-left challenges Berlusconi in Italian local polls

By Robert Graham in Rome

Italy's centre-left alliance dominated by the former communist party of the Democratic Left (PDS) yesterday emerged as main challenger to the rightwing alliance of Mr Silvio Berlusconi which has set the political agenda for the past year.

Confounding projections for Sunday's regional and local elections, the centre-left alliance looked set to equal or even surpass the vote won by Mr Berlusconi and his rightwing allies.

The outcome was a serious setback for Mr Berlusconi's ambitions to force an early election in June. The Berlusconi camp was notably silent yesterday after celebrating on Sunday a clear lead of almost 7 percentage points in the exit polls.

Mr Massimo D'Alema, the PDS leader, is committed to allowing the government of Mr Lamberto Dini to complete its limited mandate with the aim of holding a general election in October.

Buoyed by yesterday's vote, Mr D'Alema may encourage Mr Dini to push through legislation, including vital pension reforms. This could include introducing measures to limit the conflict of interest between Mr Berlusconi's Fininvest business empire and his role as a politician.

Financial markets reacted cautiously, but traders said the likely avoidance of a June election was a positive outcome. The lira was virtually unchanged on Friday's close at L1,249 against the D-Mark. The Milan bourse dropped 0.6 per cent, but investors were reportedly awaiting the full details of the result which were not available before the markets closed.

According to projections, the vote for both alliances hovered around 42 per cent. Apart from the PDS, the centre-left alliance is composed of the bulk of the now-split Popular party (PPI), the heirs of the Christian Democrats, former Socialists and Greens.

The rightwing alliance comprises Mr Berlusconi's Forza Italia, the rightist National Alliance of Mr Gianfranco Fini, the small Christian Democratic Centre and elements of the PPI.

Notable absentees from either alliance were the populist Northern League of Mr Umberto Bossi and the Reconstructed Communism, successor to the old Communist party. These two groupings did well and together won 15 per cent of the vote. Their future allegiances will hold the key to the next election and the length of the Dini government.

Early returns showed the centre-left alliance had won six of the 15 regions, while Mr Berlusconi and his allies had taken five regions.

Neither bloc able to win, Page 3
Lex, Page 20

THE LEX COLUMN

Jospin jitters

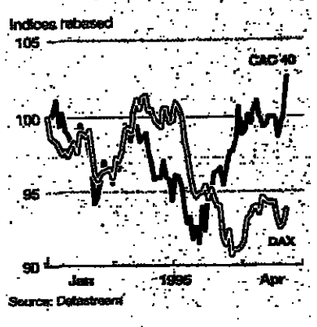
The lead secured during the first round of elections by the Socialist presidential candidate, Mr Lionel Jospin, was a surprise, but the markets were right not to be overly concerned. A traditional run-off between left and right will be far less damaging than a fratricidal campaign between Mr Jacques Chirac and Mr Edouard Balladur. Such a struggle would have so disrupted the right that the eventual winner might have proved incapable of commanding a majority in the Chamber of Deputies.

Besides, given the distribution of votes during the first round, a victory for Mr Jospin remains at least unlikely, if not impossible. If he were to win, it would be disastrous for the markets, at least in the short term – not because of his policies, but because of the subsequent political uncertainty. Mr Jospin would need to call a general election in which he would have little hope of securing a majority. Months of messy *cohabitation* would ensue.

What should the markets make of the more likely winner, Mr Chirac? The key question would be how Mr Chirac met his election pledge to reduce unemployment. If he decided to expand monetary policy or reduce income from social security without commensurate spending cuts, that could mean the sacrifice of the *franc fort*. French equities' recent strong rally has been predicated on this scenario. Until he decided, the markets would remain volatile. Eventually, either the franc and bond markets must fall – as Mr Chirac decoupled the franc from the D-Mark – or the equity market would suffer a correction.

FT-SE Eurotrack 200: 1380.6 (-4.2)

French against German equities



Swiss governance

In the seven years since Nestlé shocked the Swiss stock market by allowing foreigners to buy its registered shares, Switzerland has undergone a gentle corporate revolution. The larger Swiss companies have become increasingly friendly to their shareholders, especially performance-oriented foreign investors. They have adopted international accounting standards in the name of transparency and abolished some of the numerous classes of shares for the sake of shareholder democracy.

That revolution has taken a further step with the SFr385m bid from International Paper, a US company, for Holvis, a Swiss paper and non-woven fabrics group. In what is believed to be the first hostile bid for a Swiss company, IP has commendably introduced Anglo-American notions of fair-play into Switzerland. The offer has been extended to all shareholders, going beyond the letter of Swiss corporate law which neglects the interests of minority shareholders.

The bid is prompted by Mercury Asset Management, the large UK institution which together with clients owns 31 per cent of the Swiss group. Exasperated by what it viewed as the lamentable performance of Holvis, it has helped find a bidder for the company. Such activism on the part of MAM is exemplary; management of continental European companies often puts the interests of institutional investors low down the list of priorities, while shareholders tend to be too passive in dealing with underperforming investments.

Italy

On the face of it, the Italian stock market's anaemic reaction to Sunday's regional elections is surprising. After all, voters' unenthusiastic support for former prime minister Mr Silvio Berlusconi has secured a longer-term role for his troubled successor, Mr Lamberto Dini. The technocratic administration and reform programme of Mr Dini offer sufficient parallels to those of his former Bank of Italy boss, Mr Carlo Azeglio Ciampi, to give some grounds for optimism. And since Mr Berlusconi is now unlikely to force elections before October, Mr Dini has time to work on pension reforms and the next budget.

The problem is that Mr Dini needs more than time. He has no core support in parliament, as demonstrated by his struggle to pass the comparatively uncontroversial mini-budget. His current push to reduce the government's rising pension obligations is far more sensitive, since it will be taking money away from voters. Italy is effectively entering a six month electioneering campaign, so there is a danger his pension reforms will be diluted to the point of meaninglessness.

At least the strengthening of core left and rightwing alliances in the elections suggests the possibility of greater political stability in the future. But Mr Berlusconi's track record can hardly inspire confidence, while the leftwing alliance of Mr Romano Prodi remains something of an unknown quantity. This is not a recipe to inspire a recovery of Italy's battered financial markets.

Abbey/N&P

Abbey National's pursuit of the National & Provincial Building Society makes some financial sense. The building society-turned-bank has deep pockets; thanks to its active treasury department, Abbey's assets of £94bn will outstrip even those of the Leeds and Halifax building societies, after their merger. Even if it were to pay twice N&P's net asset value – more than Lloyds Bank is now paying for Cheltenham & Gloucester – N&P could enhance Abbey's earnings by close to 10 per cent. Unlike N&P's failed merger with the Leeds, the geographical fit is also reasonably good.

It may be some relief to shareholders that Abbey's putative acquisition is in a core domestic business, given its poor record in overseas expansion. But the UK mortgage market is not attractive territory. Abbey has managed to increase its non-housing-related business to 25 per cent, and has a 40 per cent target. Competition is proving fierce, as direct lenders with a lower cost-base, such as Direct Line, are able to pass on savings to borrowers; the result is a tight squeeze on building societies' margins. Abbey would hope, of course, to get other new business from N&P account holders, but this may be difficult to realise.

Unfavourable conditions within the building society sector may provide a strong incentive for societies to merge and cut costs. But the rapid pace of M&A activity in the sector should also cause buyers to think carefully about whether they are overpaying.

See additional Lex comment on Cray Electronics, Page 27

G7 dispute intensifies

Continued from Page 1

towards the dollar. He said the US had not intervened much to support the currency, nor raised interest rates recently, nor taken action to tackle the fundamental economic weaknesses by cutting government borrowing more.

Mr Santer said he was glad the idea of a formal accord to support the dollar would be raised at the meeting by Mr Edmond Alphandéry, the French finance minister.

Japanese finance ministry officials en route to the meetings said that the idea of establishing target zones for the world's leading currencies was likely to be discussed. However, this would run into fierce opposition from countries such as the UK.

French right regroups

Continued from Page 1

how supporters of Sunday's defeated candidates align themselves. Attention focused on the strength of the vote for the far right, which brought a record score of 15 per cent for Mr Jean-Marie Le Pen, leader of the extremist National Front. Along with a strong showing for other extremist and fringe candidates, it was seen as evidence of disaffection with mainstream candidates and parties and anxiety about chronic unemployment.

"The good performance of the far right and far left shows that a neo-populism is rising over the traditional left-right divide," said Mr Franz-Olivier Giesbert, editor of the daily Le Figaro.

Brussels looks to waive competition rules for telecoms

By Emma Tucker in Brussels

The European Commission is considering setting up special rules to exempt commercial agreements between telephone networks and service providers from scrutiny by Brussels after the liberalisation of the European Union's telecoms sector in 1998.

Competition officials at the Commission have asked legal experts to look at the idea of a "bloc exemption" arrangement allowing networks and services owned by separate operators to link up without reference to an outside body, given certain conditions. Bloc exemptions exist for other sectors, including car and beer distribution.

The introduction of similar rules for the telecoms sector would prove controversial. There is already tension in Brussels between the directorates responsible for telecommunications and competition over who should take the lead role in setting the telecoms regulatory regime.

However, the Commission is under pressure from telecoms companies to provide a workable legal framework before full deregulation takes place. They are anxious that new cross-border opportunities after 1998 should not be hampered by former monopolistic operators charging unwarrantedly high interconnection fees.

An example of the kind of interconnection involved could be the joint venture between British Telecommunications and Viag of Germany. If awarded a public operator's licence, it will have to interconnect with Deutsche Telekom's network to deliver voice calls in Germany.

But regulations for charges for such interconnection do not yet exist; Brussels is working on a directive but it could take five years and go through considerable changes before becoming law. BT, Telecom Finland and others are worried that without timely action at a European level, regulatory authorities in many EU member states – whose standards vary considerably – might not make the necessary arrangements to ensure satisfactory interconnection for new competitors.

"A single European application of rules is essential, to avoid different approaches in different member states," said BT. "Any discriminatory application of regulation or market entry assistance runs the risk of encouraging inefficient or unsustainable competitors, with long-term disadvantages to consumers."

EU ministers asked the Commission to prepare draft proposals for an EU-wide regulatory framework by the end of the year, so that the necessary safeguards could be put in place ahead of the 1998 deadline for liberalisation of voice telephony and infrastructure. So far only non-voice telecoms services have been opened up to competition.

Dirty tricks on the deregulation line, Page 19

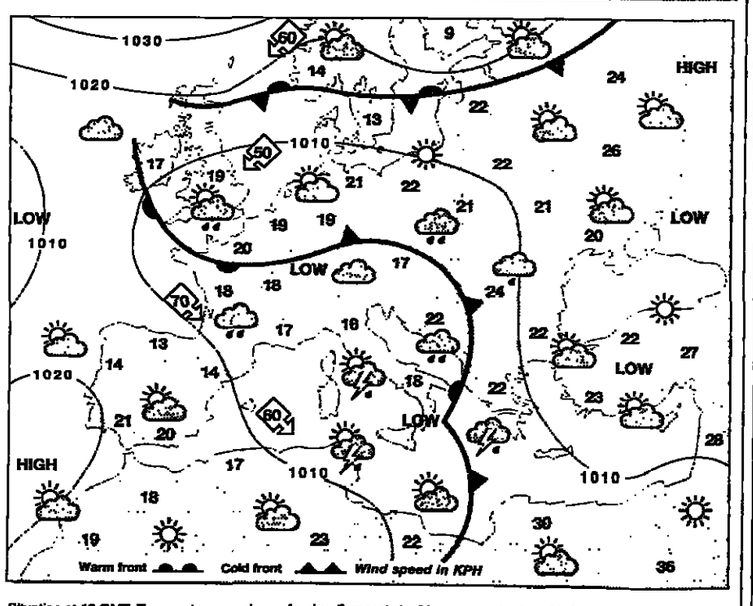
FT WEATHER GUIDE

Europe today

Cloud and showers will occur near a frontal zone separating warm air over the Britsh Isles, the Benelux, southern Sweden, Denmark, Germany and Poland from cooler air over France, Spain, Portugal, the Alps and Italy. North of the front, it will be fair with sunny periods and relatively high temperatures over the UK, the Benelux, northern Germany, Denmark, Poland and the Baltic States. South of the front it will be unseasonably cool in France, Spain and Portugal. However, Spain will have abundant sunshine. Italy and western Greece will have occasional thunder showers. Eastern Greece, Turkey and Cyprus will be sunny. Scandinavia have sunny spells but east of the Norwegian mountains it will be cloudy with rain.

Five-day forecast

A frontal system will move slowly north-east, bringing more rain to central, eastern and southern Europe. Depressions over the Atlantic will increase their influence over western Europe later this week, resulting in changeable conditions and more normal temperatures. High pressure will produce abundant sunshine and higher temperatures in the Mediterranean.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

		Maximum Celsius															
			Beijing	sun	21	Caracas	fair	30	Faro	sun	18	Madrid	fair	15	Rangoon	sun	36
			Belfast	shower	18	Cardiff	fair	19	Frankfurt	thund	20	Majorca	fair	15	Reykjavik	fair	6
Abu Dhabi	fair	28	Belgrade	rain	22	Casablanca	cloudy	18	Geneva	rain	16	Malta	fair	18	Rio	cloudy	29
Accra	shower	33	Berlin	fair	22	Chicago	cloudy	14	Gibraltar	fair	19	Manchester	fair	19	Rome	thund	18
Algiers	shower	16	Bermuda	cloudy	25	Cologne	fair	21	Glasgow	fair	18	Manila	cloudy	34	S. Frisco	sun	22
Amsterdam	sun	18	Bogota	cloudy	19	Dakar	sun	25	Hamburg	fair	21	Melbourne	fair	19	Seoul	shower	16
Athens	shower	22	Bombay	sun	34	Dallas	fair	25	Helsinki	fair	12	Mexico City	fair	22	Singapore	cloudy	31
Atlanta	sun	22	Brussels	fair	20	Delhi	sun	37	Hong Kong	fair	28	Miami	fair	29	Stockholm	fair	14
B. Aires	sun	26	Budapest	thund	18	Dubai	fair	28	Honolulu	fair	27	Milan	shower	13	Strasbourg	thund	18
B.ham	fair	20	C.hagen	fair	17	Dublin	shower	16	Istanbul	fair	20	Montreal	fair	12	Sydney	shower	20
Bangkok	fair	36	Cairo	fair	32	Dubrovnik	rain	19	Jakarta	cloudy	32	Moscow	fair	23	Tangier	fair	18
Barcelona	shower	15	Cape Town	rain	16	Edinburgh	cloudy	14	Jersey	fair	16	Munich	shower	18	Tel Aviv	fair	27
									Karachi	sun	33	Nairobi	fair	26	Tokyo	cloudy	20
									Kuwait	fair	28	Naples	thund	18	Toronto	rain	12
									L. Angeles	sun	27	Nassau	shower	30	Vancouver	fair	16
									Las Palmas	fair	22	New York	fair	16	Venice	shower	18
									Lima	fair	25	Nice	fair	17	Vienna	shower	17
									Lisbon	fair	15	Nicosia	sun	25	Warsaw	fair	21
									London	fair	20	Oslo	shower	14	Washington	fair	16
									Luxbourg	shower	18	Paris	shower	20	Wellington	fair	15
									Lyon	shower	17	Perth	sun	26	Winnipeg	cloudy	8
									Madeira	fair	19	Prague	shower	20	Zurich	shower	15

هكذا من الأصل

هكذا من الاصل

FINANCIAL TIMES
COMPANIES & MARKETS
Tuesday April 25 1995

IN BRIEF

US chemicals see strong first term

Net earnings at DuPont, the US chemicals group, shot up to $959m from $642m in the first quarter to March 31 as the company continued to reap the benefits of lower costs and strong cyclical growth in demand for its products.

Union Carbide benefited from the same trends raising first quarter net income to $230m from $63m on the back of bigger volumes and higher prices for its products. Page 26

SSAB shares surge after record forecast
Shares in SSAB, Scandinavia's biggest steel producer, soared nearly 5 per cent after the Swedish group more than doubled profits in the first quarter and said it should easily beat last year's record profit over the full year. Page 22

Barito Pacific hit by falling plywood prices
Barito Pacific, the world's largest producer of tropical hardwood plywood saw its consolidated net income in 1994 tumble by more than 50 per cent on the year earlier. Page 24

Margins squeezed at US oil groups
US oil companies' first-quarter results showed a pattern of weak refining margins, as crude prices rose faster than product prices, especially in North America. However, there were good results from upstream activities and petrochemicals. The warm winter weather in North America and Europe hit sales of heating oil and gas. In the US, natural gas prices fell 35 per cent, according to Mobil. Page 25

USX earnings fall disappoints market
Rising operating costs linked to planned shutdowns at three blast furnaces trimmed first-quarter earnings at USX Corporation's US Steel Group to $74m, or 89 cents a share, far below market expectations of profits of about $1 a share. Page 25

Broadcast body clears Packer purchases
The Australian Broadcasting Authority has decided that recent purchases by Mr Kerry Packer, the Australian media proprietor, of shares in John Fairfax, the newspaper publisher, did not breach the control provisions of the Broadcasting Services Act. Page 24

Bowater renamed Rexam to end confusion
From next month, the paper and packaging group Bowater will be known as Rexam. The change is being made to end confusion with Bowater Inc of the US, a separate newsprint and pulp company. Page 27

Williams makes $48m US purchase
Williams Holdings, the diversified industrial group, is acquiring the fire protection products and systems division of Figgie International, the US group, for $48m in cash. Page 27

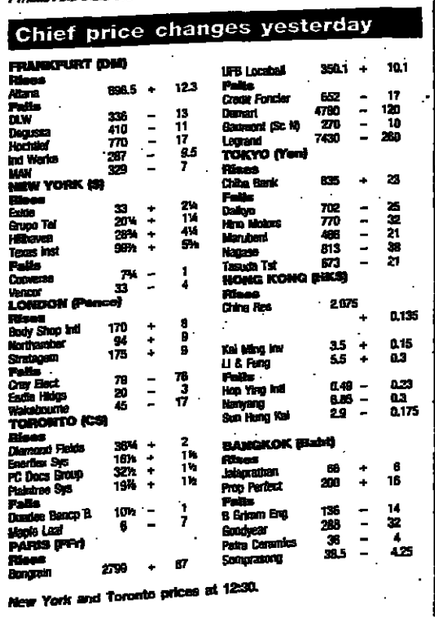
Companies in this issue

3M	25	Hitachi	7
AEG Electrocom	7	Holvis	20, 1, 21
Abbey National	20, 21	International Paper	20, 1
Akar	22		21
Amec	7	Japan Nuclear Fuel	6
American Brands	25	Kao	24
American Express	22	Kobe Steel	7
Amoco	25	Kuoni Travel	22
Asarco	26	Maple Leaf Foods	28
Ascom	26	McKechnie	28
Asea Brown Boveri	7	Melrose Energy	27
Ashland	25	Merck AG	26
Assoc British Foods	28	Microsoft	4
Astra Int'l	24	Mobil	25
Austrian Nat. Bank	22	Nat & Provincial	21
BP Chemicals	28	Newcrest Mining	26
BT	20	Oxford Molecular	28
Banamex	21	Premdor	7
Bancomer	21	Quebecor Printing	26
Barito Pacific	24	Rhone-Poulenc Rorer	26
Berisford Intl	28	Ruhrgas	2
Boeing	21	SSAB	22
Bowater	27	Safra Republic	26
Cameco	26	Saga Petroleum	2
Carrefour	7	Statoil	2
Case	22	Stelco	26
Cray Electronics	27	Suzuki	7
Dailywin	28, 7	Tarmac	7
Deutsche Telekom	3	Tate & Lyle	7
DuPont	26	Telecom Finland	20
EIS	27	Texaco	25
Exxon	25	US Steel	25
Fairfax	24	USX Corporation	25
Farnell Electronics	28	Union Carbide	26
Figgie Fire	27	United Technologies	25
Fokker	7	Viag	20
Gazprom	2	Wal-Mart	7
Goodman Fielder	24	Walt Disney	7
Hillsdown	28	Westinghouse	7
		Williams	27
		Wimpey	7
		Wintershall	2

Market Statistics

Annual reports service	32-33	FT-SE Actuaries indices	36
Benchmark Govt bonds	30	Foreign exchange	31
Bond futures and options	30	Gilts prices	30
Bond prices and yields	30	London share service	32-33
Commodities prices	29	Managed funds service	34-35
Dividends announced, UK	27	Money markets	31
EMS currency rates	31	New intl bond issues	30
Eurobond prices	30	New York share service	38-39
Fixed interest indices	30	Recent issues, UK	36
FT-A World Indices	Back Page	Short-term int rates	31
FT Gold Mines index	36	US interest rates	30
FT/ISMA intl bond svc	30	World Stock Markets	37

Chief price changes yesterday



FRANKFURT (DM)			
Rises			
Altana	698.5	+	12.3
Falls			
DLW	336	–	13
Degussa	410	–	11
Hochtief	770	–	17
Ind Werke	287	–	9.5
MAN	329	–	7
NEW YORK ($)			
Rises			
Exide	33	+	2¼
Grupo Tel	20¼	+	1¼
Hilleven	28¾	+	4¼
Texas Inst	98½	+	5⅝
Falls			
Cadverse	7¾	–	1
Vencor	33	–	4
LONDON (Pence)			
Rises			
Body Shop Intl	170	+	8
Northamber	94	+	9
Stratagem	175	+	9
Falls			
Cray Elect	78	–	76
Exalis Hldgs	20	–	3
Wolseloumb	45	–	17
TORONTO (C$)			
Rises			
Diamond Fields	36¼	+	2
Enerflex Sys	16½	+	1⅛
FC Decs Group	32½	+	1½
Hainbrec Sys	19¾	+	1½
Falls			
Dundee Bancp B	10½	–	1
Maple Leaf	6	–	7
PARIS (FFr)			
Rises			
Bongrain	2799	+	87
UFB Locabail	350.1	+	10.1
Falls			
Credit Foncier	652	–	17
Damart	4780	–	120
Gaumont (Sc N)	276	–	10
Legrand	7430	–	260
TOKYO (Yen)			
Rises			
Chiba Bank	835	+	23
Falls			
Daikyo	702	–	25
Hino Motors	770	–	32
Marubeni	466	–	21
Nagase	813	–	38
Tasuda Tst	873	–	21
HONG KONG (HK$)			
Rises			
China Res	2.075	+	0.135
Kai Ming Inv	3.5	+	0.15
Li & Fung	5.5	+	0.3
Falls			
Hop Ying Intl	0.49	–	0.23
Nanyang	6.85	–	0.3
Sun Hung Kai	2.9	–	0.175
BANGKOK (Baht)			
Rises			
Jalaprathan	68	+	6
Prop Perfect	200	+	16
Falls			
B Grimm Eng	136	–	14
Goodyear	288	–	32
Patra Ceramics	36	–	4
Sompraisong	38.5	–	4.25

New York and Toronto prices at 12:30.

Boeing falls on orders downturn

Demand for commercial aircraft declines but fall in net earnings is not as severe as feared

By Richard Tomkins in New York

Boeing, the US aircraft maker, yesterday reported a fall in net earnings to $181m from $292m in the first quarter as it continued to suffer from a worldwide downturn in commercial aircraft orders.

The fall was less severe than the market had feared. Analysts had forecast that earnings per share would be cut by half to 43 cents from 86 cents last time. Instead, Boeing reported earnings per share of 53 cents.

The shares, however, were $¼ lower at $55¾ in early trading after Boeing explained that the numbers were skewed in the quarter's favour by the timing of customers' delivery requirements. Deliveries had "substantially exceeded" the rate at which aircraft were being built, Boeing said.

Group sales fell from $6.3bn to $5bn, reflecting a fall in commercial jet transport deliveries from 82 to 59 in the comparable quarter.

Within the total, commercial aircraft sales fell from $5.2bn to $3.7bn but the defence and space side of the business did better, increasing sales from $1bn to $1.3bn.

Mr Frank Shrontz, chairman and chief executive, reiterated the prediction he made earlier this year that deliveries for the full year would fall from 270 aircraft in 1994 to 230.

Total sales were expected to be in the $20bn to $21bn range, down from $22bn last year.

Boeing also warned that a special retirement incentive plan aimed at securing voluntary cuts in the workforce would result in a big one-time charge to earnings in the second quarter because it would increase the retirement plan's actuarial liability.

The plan, announced last month, is being offered to about 13,000 Boeing workers in the hope that about 7,000 accept.

Boeing said that if this target were achieved, there would be a non-cash charge of between $350m-$400m in the second quarter.

Mr Shrontz said he was encouraged by favourable market trends in the commercial airline industry, largely driven by worldwide economic conditions.

The trends included airline passenger growth rates, higher load factors and the improving financial health of the industry.

BOEING COMMERCIAL JET DELIVERIES

Type	First quarter 1995	1994
737	29	39
747	8	15
757	14	16
767	8	12
Total	59	82

Source: company

A key part of the company's strategy to prepare for the market opportunities was to achieve big increases in productivity, Mr Shrontz said.

The planned workforce reductions, intended to be achieved by the end of the year, were in line with this objective.

Mexican banks slip in first quarter

By Leslie Crawford in Mexico City

Banamex and Bancomer, Mexico's two largest banks, reported a sharp fall in profits for the first quarter of 1995. However, analysts welcomed their decision to make hefty provisions against loan losses and strengthen their capitalisation ratios.

The results were better than expected, given the turmoil in Mexico's financial markets after the devaluation of the peso in December.

Banamex, Mexico's largest bank with 20 per cent of the deposit market share, reported after-tax earnings of 444m pesos ($74m) for the first three months, a 35 per cent fall compared with the 686m peso profit recorded in the first quarter of 1994.

"Our results were affected by the slump in economic activity and the significant rise in both nominal and real interest rates. This has hit the quality of our loan portfolio and required the creation of additional reserves," Banamex said yesterday.

Banamex set aside 3.43bn pesos against past-due loans in the first quarter of 1995, which increased its loan-loss provisions to 70.9 per cent of past-due loans, against 50.1 per cent at the end of December.

Its capitalisation ratio stood at 10.9 per cent of risk-weighted assets, well above the 8 per cent minimum required by the central bank.

Bancomer, the second-largest bank, reported after-tax profits of 227.6m pesos in the first quarter of 1995, against 368.4m pesos in the first quarter 1994. It created additional reserves of 1.58bn pesos, which has raised its provisions against bad loans to 61.8 per cent of its non-performing assets. Its capitalisation ratio stands at 9.01 per cent.

Since the devaluation of the peso, nominal interest rates have risen four-fold, which in turn have caused an avalanche of loan defaults that threaten the solvency of the banking system.

According to the National Banking Commission, non-performing loans increased 45 per cent in the first three months of the year and total 80bn pesos, or 15 per cent of the banking system's total loan portfolio.

Nevertheless, financial analysts believe Mexico's two largest banks are well positioned to benefit from the economic crisis.

Mexican peso contract, Page 26

Takeover talk shakes UK home loan sector

By Alison Smith in London

Abbey National, the British home loans and banking group, surprised the UK building societies sector yesterday, with an announcement that it was seeking takeover talks with National & Provincial, the ninth largest building society.

The statement, made without any prior notice to the N&P board, appears to be the nearest approach yet to a hostile bid for a society.

It follows two other big restructuring moves in the industry – the planned takeover of the Cheltenham & Gloucester by Lloyds Bank and the proposed merger between the Halifax and Leeds Permanent. Societies are mutually owned and concentrate on loans for house purchases

If the two societies did come together they would create a retail bank larger than the planned enlarged Halifax with total assets of more than £100bn ($162bn). At the end of 1994, Abbey had assets of £94bn and N&P had £13bn.

N&P's board will meet tomorrow before the annual meeting, and will decide a formal response then. Abbey's statement has inevitably put pressure on directors to set out to members their approach to a possible takeover.

Mr John Fry, Abbey's deputy chairman, said the bank had no desire to upset the N&P board, though he acknowledged that the issuing of the statement was "less than ideal" in terms of relations between the two organisations.

As mutually-owned operations, societies are accountable to their millions of savers and borrowers and are not responsible to a separate class of shareholders.

Hostile bids in the sector are unknown because boards of directors are not obliged to put offers in front of societies' members, and an outside organisation cannot approach members directly.

Abbey – the UK's second largest mortgage lender – based yesterday's statement on the need to clarify its position after weekend press reports that in 1993 it had had talks with N&P and been rejected. It said it believed that combining the two organisations would make strategic sense.

It said that if the merger went ahead it would be able to offer N&P's 2m-plus members "a substantial premium to net asset value".

N&P has been a consistent subject of merger speculation since its plans to combine with Leeds Permanent broke down about 18 months ago.

Ian Rodger reports on International Paper's offer for Holvis

A foreign foray into Swiss territory

Swiss companies have led the way in continental Europe recently in becoming more investor friendly and in removing restrictions on foreigners holding and voting their shares.

It was, therefore, only a matter of time before a foreign company would come along and make an unsolicited bid for a Swiss one.

Yesterday, International Paper unveiled a SFr385m ($338m) bid for Holvis, a struggling maker of non-wovens and distributor of stationery and office supplies.

But those looking for a decisive test of Swiss willingness to be truly open to foreign ownership and control will be disappointed.

For one thing, this bid looks such a satisfactory arrangement for all parties that it is unlikely to raise any controversy. IP said it did not see itself as an unfriendly bidder, and Holvis did not say that the price offered was too low.

Moreover, Holvis is not a large or important enough company to rouse Swiss nationalistic sentiment in a way that, say, a bid for foods giant Nestlé or for the pharmaceuticals and chemicals group Ciba-Geigy might.

But the bid is nevertheless a reminder of a more bracing climate to come. A takeover code is set to come into effect in Switzerland next year which will at last make redundant the lingering voting restrictions retained by many companies as a protection against surprise hostile bids.

For Holvis directors, the near certainty of being taken over brings an end to a difficult five-year struggle to transform the group's prospects. In 1990, faced with stagnating sales and margins in its traditional paper business, the group decided to develop its then modest presence in non-wovens, the fabrics used in nappies, feminine napkins and disposable medical garments.

It acquired five companies in the US and Sweden in short order. However, the promise of this sector soon turned sour as a price war among nappy makers and excessive capacity expansion forced down the prices of non-wovens.

Holvis then aimed to specialise in higher value added products for medical use, but faced teething problems introducing new plant in the US.

Sales sagged from SFr832m in 1991 to SFr685.7m last year and the group tumbled into a SFr9.2m loss in 1993.

Last year, directors bickered over the need for further rationalisation, and Mr Pedro Reiser, chief executive, left in November.

Yesterday, Mr Rudolf Wenger, finance director, said the directors now felt the group was finally well positioned for the future.

IP, under the chairmanship of Mr John Georges, has been building up its non-wovens and distribution divisions in recent years as part of its strategy to have speciality businesses that offset the pulp and paper cycle.

Its distribution revenues are about $4.5bn worldwide, with all but $500m coming from North American markets. Starting in 1989, it acquired several regional distribution businesses in the US, with a view to creating a national network.

Now it aims to do the same in Europe. It acquired four distribution businesses in France and Holland with its 1989 takeover of Aussedat Rey in France and would get the dominant Swiss market supplier, Mühlebach, with a minor presence in Germany through Holvis. That would still leave it well behind the European market leaders, Arjo-Wiggins and the VRG division of Dutch paper group KNP.

IP is also playing catch-up in non-wovens. Its non-woven sales are worth roughly $300m a year, ranking it seventh in a $5bn world market. The Holvis acquisition would double its size and catapult it into fourth position, with a much strengthened stake in European markets.

"It would also put us in a better position to address Asian markets," says Mr Milan Turk, vice-president responsible for IP's speciality products.

For Mercury Asset Management, the IP bid is a relatively pleasant end to a long and often painful story. The big UK fund manager first acquired a substantial stake in Holzstoff, as it was then, in 1987. In 1992, when Holzstoff first disclosed large shareholdings, it became known that two MAM-controlled funds held 25 per cent.

MAM kept in close contact with the board but became disenchanted when the shift from paper into non-wovens did not bring results and group management did not seem up to the situation. Holvis shares peaked at SFr702 in 1979 and have drifted more or less steadily down since then to a recent low of SFr330.

Thanks to the rise of the Swiss franc against sterling over this period, particularly in the past few months, MAM probably gets out of its big position without damage, and with the hope that the Holvis businesses might fare better under IP management.

There is always a possibility that someone with other plans will come along with a better offer. IP would not say whether its offer was final. "This is how we value the company. We have offered SFr435 per share, which is an extreme premium to the market," Mr Turk said.

And with its irrevocable option to buy MAM's 25 per cent block at its bid price, IP is in a position to make life difficult for any opponent.

Under John Georges, IP has sought to offset the pulp and paper cycle

Lex, Page 20; Forestry stocks lifted, Page 45

Dual residence gives Hanson shareholders USI tax saving

By David Wighton in London

US Industries, the group of US-based manufacturing companies being demerged from Hanson, will be required to hold its board meetings in London for the next five years to allow Hanson shareholders to receive USI shares free of tax.

In a move seen as setting an important precedent, the UK Inland Revenue has agreed USI can have dual US/UK residence if it "will continue to be centrally managed and controlled in the United Kingdom for a period of at least five years".

If USI were treated as a solely US resident company UK Hanson shareholders would have faced income tax on the distribution of USI shares.

Although USI has some UK operations and will have a London head office it is overwhelmingly a US business. The Revenue said it could not comment on particular cases but added that it tried to show "flexibility" in "unusual situations".

The demerger, orchestrated by N.M Rothschild, is also unusual in that USI will pay Hanson $1.35bn from a new $1.65bn bank facility leaving it with about 400 per cent gearing.

In a filing with the US Securities and Exchange Commission Hanson warns that USI's free cashflow after capital expenditure is expected to satisfy only 25 per cent of its debt amortization requirements during its first two years. The remainder will have to be met by disposals.

The document also reveals that USI's operating income for the six months to March 31 fell by $2m to about $100m, due partly to poor Christmas trading at its Ertl toys and Tommy Armour golf clubs companies. Net income fell by $7.7m after its $5.7m share of losses at Smith Corona, the typewriter manufacturer of which it owns 48 per cent.

Analysts expect heavy selling of USI shares by UK investors once they start trading and to give the share price time to settle down USI will have a "poison pill" protection from takeover for its first 90 days.

Mr David Clarke, the chief executive office of Hanson's US arm who is leaving to head USI, will receive $9m worth of options in the new company.

SSAB shares surge after forecast of record profits

By Christopher Brown-Humes in Stockholm

Shares in SSAB, Scandinavia's biggest steel producer, soared nearly 5 per cent yesterday after the Swedish group more than doubled profits in the first quarter and said it should easily beat last year's record profit over the full year.

Pre-tax profits reached SKr1.17bn ($157m), nearly 40 per cent ahead of average market forecasts and more than double the SKr488m achieved in the same 1994 period. SSAB's A shares closed at SKr325, up SKr15.

Surging volumes and prices in Europe's buoyant steel market were the main reason for the upturn. But the company also benefited from the weaker dollar, which has eased the impact of higher coal and iron ore prices on its raw material purchasing costs.

Revenues jumped 36 per cent to SKr4.84bn and operating profit climbed to SKr1.10bn from SKr497m.

SSAB said west European steel consumption, which rose 9 per cent last year, had continued to grow in the first quarter, with a knock-on impact on prices. It calculated that steel prices were 4 per cent higher in the period than in the final quarter of 1994 and 16 per cent higher than in the first three months of last year.

The group has also benefited from a big rise in demand in the Swedish market, due to the healthy state of the country's export industry.

Profits from the biggest division, Tunnplat steel plate, rose to SKr640m from SKr376m after sales increased to SKr2.6bn from SKr1.93bn. SSAB recently announced plans to invest SKr1.65bn on developing its plate operations. The main project will be a new rolling mill at its Oxelösund plant.

Mr Leif Gustafsson, SSAB president, said the group's full-year profit should be "significantly better" than last year's record SKr2.14bn.

He said prices had continued to rise in the second quarter, but noted that the company's performance would be affected by the relocation of a blast furnace, leading to a longer-than-normal break in summer production.

Aker seeks platform payment

By Karen Fossli in Oslo

Aker, the Norwegian cement, building materials and oil and technology group, is seeking up to NKr700m ($112.63m) from Conoco Norway, a subsidiary of Du Pont, the US chemicals group, covering cost overruns on the Heidrun concrete floating production platform.

The platform substructure was built for Conoco by Norwegian Contractors, an Aker subsidiary. Aker says the platform which it will deliver to the oil company on May 10 bears little resemblance to the facility which was intended to be built.

Conoco made substantial changes to the platform's specifications midway during the project, according to Aker, which caused costs to escalate. During 1992-94 Aker charged accounts with NKr1.2bn in additional costs incurred by the project which it believes should be shared by Conoco.

Mr Frode Geitvik, an Aker spokesman, expressed confidence the claim could be settled out of court but Mr Tom Ruud, Aker chief executive, earlier said that failing a settlement, the claim could go to arbitration in 1996.

Mr Oeyvind Kvall, a Conoco Norway executive, said yesterday he was confident the dispute could be resolved outside the courts.

The Heidrun field concrete floating tension leg platform is the first of its kind built for the petroleum industry. The platform is due to be installed on June 26 and the field is scheduled to start producing in August. Heidrun is expected to reach plateau output of 220,000 barrels of oil a day before 1996.

Total costs of the development are estimated at NKr25.2bn, nearly NKr3bn over budget.

Kuoni in international equity offer

By Conner Middelmann

Kuoni Travel, Europe's third-largest travel group, has offered investors an opportunity to participate in an international equity offering by a Swiss company.

SBC and UBS jointly placed 81,000 registered shares following the buy-back by the Kuoni-Hugentobler Foundation and a consortium of investors of a 50.1 per cent stake in the group's share capital from German retailer Kaufhof a month ago.

The deal was fully underwritten by SBC and UBS and placed within hours of its launch last Wednesday, following strong demand from UK, French and Swiss institutional investors.

The consortium, which includes the two lead managers, held 100,000 shares, of which it has sold 81,000. The shares were placed at SFr1,850 a share and trade around SFr1,860. The remaining 19,000 shares will stay with the consortium pending placement with strategic investors.

The buy-back of the Kaufhof shares and their ensuing wider distribution has met Kuoni's aim of making its shares more liquid and widely traded.

The transaction follows a recent overhaul of Kuoni's capital structure. Kuoni's shares had previously traded at around SFr36,000, making them inaccessible for smaller investors. A one-for-20 stock split was undertaken to reduce the price to more affordable levels, and the bearer shares were converted into registered shares.

Austrian National Bank lifts profits

The Austrian National Bank lifted net profit last year to Sch10.1bn ($1.05bn) last year from Sch9.73bn in the previous 12 months, Reuter reports from Vienna.

Ms Maria Schaumayer, the central bank president, said transfers to the government would rise to Sch6.05bn from Sch5.83bn.

The schilling moves in a narrow 0.1 per cent band against the D-Mark and this year has appreciated strongly, alongside the D-Mark. However, Austria's struggling tourism industry and some exporters have complained that its strength is destroying their competitiveness and driving away customers.

"If we were to loosen our ties to the D-Mark, this wouldn't help anyone but it would hurt a lot of people," she said. "It would lead to an increase in our import prices, higher energy costs and personnel costs and that would hurt the tourism industry and our exporters."

Foreign investors and portfolio managers would flee Austrian markets if they sensed a softening of monetary policy. She said the bank's decision nearly two decades ago to tie the schilling to the D-Mark had proved its worth at difficult times.

Amexco sets out growth target

Mr Harvey Golub, the chairman and chief executive of American Express, the US financial group, said his goal for the company was 12-15 per cent growth in annual earnings per share, and 18-20 per cent growth in annual return on equity, Reuter reports from New York.

Mr Golub told shareholders at the company's annual meeting in New York he wanted 66 per cent of the company's profits to come from revenue growth, compared with 50 per cent in 1994.

By last month, 17m shares of the company's stock had been repurchased under the company's buy-back plan.

Case ready to reap richer harvest

The US tractor group has transformed its financial performance

Mr Jean-Pierre Rosso, president and chief executive of Case, the big US tractors and construction equipment producer, is ready for the next recession.

"We'd like to prove that all we've said about our restructuring is true," he says. "But I am not anxious for another down cycle."

After years of seemingly permanent crisis at Case, Mr Rosso – who joined the company from Honeywell last April – wants to make hay while the sun shines.

The Wisconsin-based company may be one of the heavy equipment industry's most famous names, but its recent history yields a rich crop of corporate disaster stories on both sides of the Atlantic.

In 1985, Case swallowed up most of the agricultural equipment operations of the old International Harvester group, which had become a byword for the decline of traditional US heavy industry.

In France, Case Poclain, the hydraulic excavator producer in which Case first took a stake in 1977, has been a big headache. In 1992, with closure looming, Case had to lead a FFr1.2bn ($246m) rescue of the company, in which it recently increased its stake to 100 per cent.

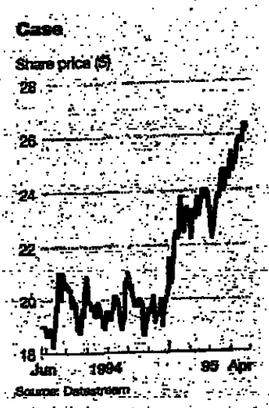
The struggle to come to terms with the reality of the industry's overcapacity, cut-throat pricing and mature markets has made Case a constant target of industry speculation questioning its commitment to farm equipment, construction equipment – or both.

Few were surprised last summer when Tenneco, the diversified US industrial company which owned Case, announced an initial public offering for the unit. Following a secondary offering in November, Tenneco retains 44 per cent.

But now, says Mr Rosso, there are no more rumours. "Our customers realise that we are in both businesses for the long-term."

Case has turned itself round through two big hits: a $461m restructuring announced in 1991 and aimed mainly at reducing costs, and a $920m three-year programme, which began in March 1993 and was focused on running the company more profitably.

Jean-Pierre Rosso, president



The programme reflected a realisation that it was time for a new business logic, says Mr Rosso. Case needed to reduce its overcapacity in line with trends in the market, and cut its fixed costs by outsourcing more components.

That meant tough decisions such as moving from two fully-integrated European tractor plants – Neuss in Germany and Doncaster in the US – to one assembly plant at Doncaster and a transmission plant at St Dizier, France. The Neuss plant will close next year.

> The turnround was a remarkable achievement, says Mr Rosso – Case can generate positive cash flow in a downturn, and raise earnings when revenues are flat

Case also had to learn to price its products for value rather than simply to increase market share, he says. This pricing discipline led to market share losses in the US, especially in 1992, but contributed to the turnround.

Other important changes included a move to independent distribution, with some exceptions, and combining the agricultural and construction equipment operations to remove duplication.

When the restructuring is complete in early 1997, Case will be making annual savings of $500m, and will have reduced its break-even point by 46 per cent, says Mr Rosso. Employment is down from 24,000 at the end of 1992 to 16,000, and will fall to 11,000 in 1997 if revenues stay where they are.

However, with the recession over, revenues are rising and Case's financial performance has been transformed. In 1994, sales rose 14 per cent to $4.3bn, producing a net profit of $165m, before accounting changes and extraordinary items. That compared with profits of just $39m in 1993 and a loss of $1.33bn in 1992.

The momentum has continued this year, and last week Case announced a 57 per cent rise in first-quarter operating profits, to $107m from $68m. Net income before accounting changes was $70m, or 96 cents a share, compared with $33m, or 44 cents, a year earlier, as sales rose 14 per cent to $1.14bn.

The turnround, says Mr Rosso, was a remarkable achievement. The company can now generate positive cash flow in a downturn, and can raise earnings even when revenues are flat, he says. Re-engineering to reduce working capital and cut administration costs will continue, but the retrenchment is all but over.

The only element missing when he joined the company, says Mr Rosso, was a plan for growth. Over the two months before the IPO, he took charge of putting together a strategy to show that Case was more than a mere recovery stock.

A $745m, four-year programme to step up new product development began last year, split roughly in line with revenues – 60 per cent for agricultural equipment and the remainder for construction equipment.

Developing markets are also being targeted. Mr Rosso aims to lift sales outside North America and western Europe from 10 per cent of turnover to 20 per cent over the next five years.

In agricultural equipment, Brazil and Argentina are seen as ideal markets for the larger tractors which Case produces, but Russia and the central Asian republics represent a long-term opportunity, which would involve joint ventures.

In construction equipment, the fast-growing Asia-Pacific market is the main target. Case is looking at joint ventures in China, where Mr Rosso says the western construction equipment industry is still only scratching at the surface. Expanded distribution is planned for other Asian markets.

There is still potential growth in western markets, he says. He would like Case to have a stronger presence in Germany, Europe's largest construction equipment market and one where Poclain's position has weakened.

The expansion in developing markets is important because it will help offset the effects of the next downturn in the west, says Mr Rosso. That, fortunately, looks some way off, even if there are signs of a downturn in the US housing market, which would affect construction equipment sales.

The longer Case can continue generating cash and paring away at administrative costs, the better it will be. The flotation left it with a 58 per cent debt-to-capital ratio, which is higher than average for the industry.

Mr Rosso wants to cut that by 8-10 percentage points a year to below 40 per cent as quickly as possible, reducing interest payments.

Andrew Baxter

Semiconductors in Germany, disk drives in France and televisions in the U.K....

A unified approach to total customer satisfaction

Hitachi in Europe

Just another local company. In many ways, that's Hitachi in Europe. For more than 80 years, our growth has been built on a commitment to local communities around the world. A commitment that extends from industry and commerce to culture and the environment.

We have 11 major manufacturing plants in Europe, and at each of those plants we emphasize local staffing and procurement. In Germany, Hitachi Semiconductor (Europe) GmbH (HISEE) began assembly and testing of wafers in 1980, and in 1992 HISEE began the transition to integrated production with the completion of a new wafer fabrication plant. Our manufacturing of computer products in Europe is centered in France, where Hitachi Computer Products (Europe) S.A. (HICEF) began production of disk drives and controllers in 1992. And in Wales, Hitachi Home Electronics (Europe), Ltd. (HHEE) handles production of televisions and other consumer electronics products.

Hitachi's role as a committed corporate citizen extends into other areas as well. We actively support cultural events and community activities, and protecting the natural environment is another continuing priority. We have, for example, implemented rigorous environmental standards in all our production facilities.

Rigorous quality control underpins the reliability of HICEF's computer products.

The breadth of Hitachi's presence in Europe—from local employment and procurement to community involvement—reflects the depth of our commitment to making a difference by improving the quality of life.

That commitment is an integral part of our entire product line, which encompasses more than 20,000 items for countless industries, including information systems and electronics, power and industrial systems, and materials and other products.

In all of those diverse fields, Hitachi has grown by remaining true to its corporate philosophy—contributing to society through technology. As competition intensifies in the years ahead, we will continue using our world-class R&D and technical capabilities to develop and manufacture high-quality products. Products that make a difference. In Europe, and around the world.

HITACHI

Austria Hitachi Power Tools Österreich GmbH, Hitachi Sales Warenhandels GmbH **Belgium** Hitachi, Ltd. (Hitachi Corporate Office, Europe), Hitachi Power Tools Belgium N.V./S.A., Hitachi Sales Benelux S.A./N.V. **Czech** Hitachi, Ltd (Praha Office) **Denmark** Hitachi Data Systems A/S, Hitachi Europe Ltd. **Finland** Hitachi Europe Ltd. **France** Hitachi Computer Products (Europe) S.A., Hitachi Data Systems S.A., Hitachi Europe (France) S.A., Fiat-Hitachi Excavators France S.A., Hitachi France (Radio-TV Electro-Menager) S.A., Nissei Sangyo France S.A.R.L., Hitachi Power Tools France S.A., Hitachi Systems De Transport (France) S.A.R.L. **Germany** Hitachi Baumaschinen GmbH, Hitachi Chemical Europe GmbH, Hitachi Denshi (Europa) GmbH, Hitachi Europe GmbH, Hitachi "Kaden" Service (Europe) GmbH, Hitachi Medical Systems Europe GmbH, Hitachi Metals Europe GmbH, Nissei Sangyo GmbH, Hitachi Power Tools Europe GmbH, Hitachi Sales Europa GmbH, Hitachi Semiconductor (Europe) GmbH, Hitachi Tool Engineering Europe GmbH, Hitachi Transport System (Europe) GmbH **Greece** Hitachi Sales (Hellas) S.A. **Italy** Hitachi Europe GmbH, Fiat-Hitachi Excavators S.p.A., Hitachi Sales Italiana S.p.A. **Netherlands** Hitachi Construction Machinery (Europe) B.V., Hitachi Data Systems Europe B.V. and Hitachi Transport Systems, Hitachi International (Holland) B.V., Hitachi Power Tools Netherlands B.V., Hitachi Sales Benelux S.A./N.V. **Norway** Hitachi Data Systems AS, Hitachi Sales Norway A/S **Russian Federation** Hitachi, Ltd. (Moscow Office) **Spain** Hitachi Air Conditioning Products Europe, S.A., Hitachi Canarias, S.A., Hitachi Europe GmbH, Hitachi Power Tools Iberica S.A., Hitachi Sales Iberica, S.A. **Sweden** Hitachi Data Systems AB, Hitachi Europe Ltd., Hitachi Sales Scandinavia AB **Switzerland** Hitachi Data Systems AG, Hitachi Sales AG **U.K.** Hitachi Credit (UK) PLC., Hitachi Data Systems Ltd., Hitachi Denshi (UK) Ltd., Hitachi Europe Ltd., Hitachi Finance (UK) PLC., Hitachi Home Electronics (Europe), Ltd., Hitachi Leasing Europe, Ltd., Hitachi Micro Systems Europe Ltd., Hitachi Power Tools (UK) Ltd., and others.

Packer cleared on Fairfax holding

By Nikki Tait in Sydney

Mr Kerry Packer's recent purchases of shares in John Fairfax, the newspaper publisher, did not breach the control provisions of the Broadcasting Services Act, according to a long-awaited report from the Australian Broadcasting Authority.

However, in its report, published yesterday, the ABA said it would continue to monitor "closely" the situation – which leaves Mr Packer, the Australian media proprietor, with a fully-diluted 17.17 per cent interest in Fairfax.

"It is clear ... that no breaches of the Act have occured," said Mr Peter Webb, the ABA's chairman. "As well as investigating the level of company interests, we have explored several allegations of control of Fairfax. The allegations have not been substantiated."

However, Mr Michael Lee, federal communications minister, said the ABA ruling, "relates only to the position that applies at the moment".

"If there is any significant change in the circumstances at Fairfax, the ABA will use its extensive powers to enforce the operation of the cross media rules", he said. "That should serve as a clear warning to anyone seeking to undermine the cross media rules".

There was no immediate comment from either Fairfax or Mr Packer. Fairfax shares closed one cent higher at A$2.86 ahead of the Anzac Day holiday.

Under current rules, anyone with a commercial TV licence cannot own more than a 15 per cent interest in a newspaper circulating in the same geographical area, unless they can prove that they do not exercise control.

Mr Packer, who owns the leading Nine Network television station, has held a 14.9 per cent interest in Fairfax for some time through his private Consolidated Press group and listed Publishing and Broadcasting company, partly in the form of convertible notes. He started to buy additional shares in February.

Mr Packer argued that he did not control Fairfax, which publishes the leading quality newspapers in Melbourne and Sydney, and could justifiably go to 24.8 per cent.

This would be just below the 24.9 per cent owned by Mr Conrad Black, the Canadian publisher, who also has board seats at Fairfax.

The legal arguments were overtaken by a political storm when Mr Packer declared on television that he would like to own Fairfax, and praised Mr John Howard, the federal opposition leader. Mr Paul Keating, prime minister, countered by accusing Mr Packer of precipitating the Fairfax situation because of his frustrations on the pay-TV front.

Goodman Fielder warns of slide in earnings

By Nikki Tait

Goodman Fielder, Australia's largest food group, yesterday warned that operating profit for the current year, before abnormals, could slide by more than 10 per cent.

In the year to end-June 1994, the company made A$168.9m (US$123.83m) before tax, slightly higher than the A$164.1m recorded for the previous year, on sales of A$3.7bn.

At the beginning of last month, Goodman suggested the outlook would depend heavily on an improved performance from the consumer foods and European milling businesses, and that profits would match last year's if these "expected improvements" occured.

But Mr David Clarke – whose appointment as chairman followed institutional pressure for board changes at Goodman – told shareholders yesterday that such developments had not materialised. However, he said there had been a continued pick-up in the milling and baking operations and in the ingredients division. "With two months of trading to go, it looks as though the operating profit of the company for the full year before abnormals could be down by more than 10 per cent," Mr Clarke said.

Goodman failed to pay an interim dividend, and said it would review the final in the light of the year's earnings.

Mr Clarke indicated that Goodman might join the list of companies interested in acquiring some of the food interests of Pacific Dunlop. PacDun's food division – the second largest food group in Australia after Goodman and said to be worth around A$850m – has been put up for sale.

Kao to lift payout as sales advance

By Emiko Terazono in Tokyo

Kao, the Japanese maker of household goods maker, posted a rise in sales and profits, and announced it would raise its dividend for the second consecutive year.

Unconsolidated recurring profits for the year ended March rose 6 per cent to Y52bn ($627m). The company posted a record current earnings figure for the 14th consecutive year, thanks to a Y22.4bn decline in interest bearing debt and a Y1.3bn fall in foreign exchange losses.

Firm sales in industrial products propped up overall revenues by 2.4 per cent to Y654.8bn. After-tax profits gained 5.4 per cent to Y25.9bn.

The company said its mainstay detergent sales were better than expected and laundry and cleaning products sales rose 3 per cent to Y258.4bn.

However, shampoos and cosmetics suffered from competition, and sales of Kao's personal care division fell 1.6 per cent to Y225.3bn.

The company will increase its annual dividend to Y12 per share from Y11. Consolidated current profits rose 3.3 per cent to Y48.6bn on a 3 per cent increase in sales to Y796.7bn.

Barito Pacific income hit by falling plywood prices

By Manuela Saragosa in Jakarta

Barito Pacific, the world's largest producer of tropical hardwood plywood saw its consolidated net income in 1994 tumble by more than 50 per cent on the year earlier. The sharp decline followed a drop in world plywood prices, weakening demand in Japan and China and increasing competition from Malaysian producers.

But Barito Pacific said it was confident that "1995 will be a better year" because the Japanese market showed signs of picking up and plywood prices had recovered.

Net income last year totalled Rp147.2bn ($70m), a drop of 52.55 per cent, compared with 1993's figure while revenues from the timber operations fell by nearly 12 per cent to Rp862bn.

The company was also hit by by higher reforestation and forest contribution fees. In addition, a two-month delay last year in the renewal of its annual cutting permits pushed up expenses, forcing Barito to buy timber from other logging companies.

Barito said it intended to diversify its product base and improve quality to counter growing competition and ensure continued growth. Its strategy includes a plan to start producing 40,000 cu metres of laminated particle boards in the fourth quarter of this year.

The company is also negotiating a $1bn financing package for a pulp and paper plant which will be built through a joint venture with Japanese companies, including The Overseas Co-operation Fund, Marubeni and Nippon Paper. The plant is scheduled to come on stream by the end of 1997.

Astra International profits surge

By Manuela Saragosa

Astra International, Indonesia's largest carmaker, saw net profit more than double in 1994 but the yen's appreciation is expected to slow profit growth this year.

Astra, which generates almost 80 per cent of its revenues from car sales, said its consolidated net profit rose to Rp279bn ($125m) last year from Rp132bn a year earlier. It also has interests in financial services and heavy industry.

Last month the company noted that its automotive division, which makes cars in Indonesia in conjunction with Toyota and Daihatsu of Japan and which controls about 50 per cent of the Indonesian car market, will be affected by the yen's rise because it imports many components from Japan.

Astra's imported goods make up some 55 per cent of its material costs and the company fixes the dollar rate against the yen for periods of three to six months. The present period ends in July.

"Every increase in the yen by 1 per cent against the US dollar might increase our costs by 0.55 per cent in our next negotiation period," Astra said.

Hong Kong plans to lead in interactive multimedia

Hong Kong plans to deliver the world's first full range of interactive multimedia services when Hongkong Telecom, the colony's monopoly telecoms provider in which Cable & Wireless has a majority stake, launches its home shopping-to-information services next year.

The service will start with video-on-demand, now on trial in 400 homes, and embrace banking, retail, information and community services.

Dr William Lo, Hongkong Telecom's director of multimedia services, said: "It is very likely Hong Kong could be the first place in the world able to try all these new services."

Wharf Holdings, the conglomerate which holds the exclusive licence to operate pay-TV in Hong Kong until mid-1996, unveiled plans for interactive services which will start next month with films costing around HK$20 (US$2.58) each. Banking and other services will be provided later.

Companies which have pledged to work with Hongkong Telecom on developing multimedia applications include the colony's big three banks – Hongkong and Shanghai Banking Corporation, Hang Seng Bank and Bank of East Asia – and Chase Manhattan NA and Citibank NA.

Shops signing up include Hong Kong's two dominant supermarket chains, Park'N Shop and Wellcome, and luxury goods retailer Dickson Concepts. Other partners include the Royal Hong Kong Jockey Club, Tower Records HK, the Hong Kong University of Science and Technology and two pizza delivery chains.

Among the 17 content providers announced yesterday were Thames International, The Discovery Channel, Asia Business News and Hong Kong's TVB International.

Hongkong Telecom, which loses its monopoly on fixed domestic phone services in July when three new contenders – including Wharf – gain licences, is spending around US$1,200 per subscriber on technology, which is the main capital investment. Given the target of up to 300,000 subscribers in the first two years, this implies an investment of some US$360m.

The pricing structure for consumers has not yet been finalised, but a monthly rental of around HK$100 is expected to be levied for the decoder – to access the services – and additional fees will be incurred when services are used. Films will cost around HK$15-HK$25.

Dr Lo believes Hong Kong is one of the most suitable markets in the world to launch multimedia services. The colony is densely populated, with some 90 per cent of people living in high-rise blocks, and boasts a high-spending, technologically sophisticated population as well as an open and flexible regulatory system.

Louise Lucas

هكذا من الاصل

INTERNATIONAL COMPANIES AND FINANCE

Refining margins squeezed at US oil groups

By Maggie Urry in New York

US oil companies' first-quarter results showed a pattern of weak *refining margins*, as crude prices rose faster than product prices, especially in North America. However, there were good results from upstream activities and petrochemicals.

The warm winter weather in North America and Europe hit sales of heating oil and gas. In the US, natural gas prices fell 35 per cent, according to Mobil, compared with the first quarter of 1994.

Meanwhile, the introduction of reformulated petrol in the US on January 1 did not generate the expected demand. As a result, it proved impossible to maintain marketing and refining profits (M&R) in the US.

Upstream activities were aided by a rise in crude oil prices of more than $3 a barrel over the first quarter of 1994.

Mobil said the average US crude price in the period was $14.28, up $4.09 on last year's first-quarter price. International crude prices were $16.65 a barrel on average, a $2.85 rise on the same period of 1994.

The companies with chemicals businesses – notably Exxon, Mobil and Amoco – benefited from higher demand and rising prices.

Mr Lucio Noto, Mobil chairman, summed up the oil sector with: "Petroleum sector market fundamentals continue to be volatile and are likely to remain so in the near term."

Mobil's petroleum activities lifted sales volumes by 7 per cent worldwide. Profits, however, slipped as a rise in exploration and production (E&P) income was more than offset by the fall in downstream profits.

Mobil's E&P division boosted net income 13 per cent to $377m, with most of the gain coming from international activities, where income rose $37m to $295m. In the US, E&P income was up $5m to $82m.

M&R profits were hit by the industry's weak margins. In the US, Mobil's M&R activity broke even, compared with net income of $61m in the same quarter of 1994. However, M&R *income from outside the US* fell by only $29m, to $146m, with lower margins somewhat offset by cost reductions in Europe and higher volumes in the Pacific Rim.

Its chemicals income jumped to $174m from $15m as sales volumes rose 29 per cent.

A leap in Exxon's chemical division net income to $547m from $149m and a near doubling of its earnings from minerals, coal and power, to $113m from $58m, more than offset lower earnings from its mainstream oil activities.

US OIL COMPANIES – FIRST QUARTER	Revenue ($bn)		Net Income ($m)		EPS ($)	
	1995	1994	1995	1994	1995	1994
Mobil*	17.63	15.12	636	535	1.57	1.31
Texaco+	9.06	7.43	301	202	1.10	0.69
Exxon	29.78	25.96	1,660	1,160	1.33	0.92
Amoco	7.56	6.77	523	398	1.05	0.80
Ashland†	2.76	2.22	129	33	1.55	0.46

*Excluding $680m one-off charge in first quarter of 1994. +Including $88m one-off gain in first quarter of 1995. †Second quarter of financial year

Higher prices and volumes for chemicals, combined with lower operating costs, produced record quarterly earnings for the division. Copper prices and production rose, lifting that sector's earnings.

Exxon's M&R division remained in profit, although US earnings fell to $16m from $39m and international earnings dropped to $184m from $349m.

Its US E&P activity suffered a fall in income, to $209m from $245m, as higher oil prices were offset by lower natural gas prices. Outside the US, E&P income rose to $757m from $590m.

Similarly, Amoco's chemicals division was the main force behind the group's rise in net income. The division lifted earnings to $233m from $88m in its best-ever performance, as volumes and margins rose.

The group's E&P profits were ahead, because of a surge to $87m from $3m outside North America, which included $18m from the sale of operations in Congo. In the US and Canada, net income fell to $221m from $284m as Amoco also felt the effects of lower natural gas prices.

Texaco's net income included an $88m gain, representing the final part of a $600m programme of non-core asset sales. Its US M&R business lost $19m, compared with net income of $78m in the first quarter of 1994. It reported *higher M&R* earnings outside the US, up to $181m from $125m, but the 1995 quarter included $80m of the group's $88m gain on land sales: without that, income was down, reflecting weak margins in Europe.

However, Texaco's E&P business lifted net income sharply. In the US it nearly doubled earnings to $143m from $75m, while international profits rose 82 per cent to $82m from $45m.

Ashland, which lacked large-scale E&P activity, fell into losses in its second quarter, to March 31, because of the weakness of North American refining margins.

Mr John Hall, chairman and chief executive, blamed the deficit on the second warmest winter on record and disruption in the market caused by last-minute political decisions on reformulated petrol (RFG).

He said: "The introduction of RFG did not go smoothly." Pittsburgh and much of Pennsylvania, markets which Ashland had expected to be good for the cleaner-burning fuel, opted out of the programme.

UTC's 38% rise led by aero-engine division

By Lisa Bransten in New York

United Technologies, the diversified US manufacturing company, reported a 38 per cent increase in first-quarter earnings this year, led by a jump in operating income from Pratt & Whitney, its aero-engine division.

Although first-quarter sales at Pratt & Whitney increased 10 per cent to $1.49bn, operating income in the division jumped 49 per cent to $125m from $84m for the same period last year. The company attributed the improvement in its margins to cost-cutting, productivity gains and higher engine shipments.

The company also posted strong earnings gains in its Carrier unit, which makes air conditioners. Sales for Carrier were 12 per cent higher at $1.13bn, while operating income increased 61 per cent to $29m from $18m last year.

Margins were nearly flat at Otis, which makes lifts. Sales increased just over 12 per cent to $1.18bn and operating income rose 13 per cent to $110m. Sales in the automotive division rose 22 per cent to $750m, while income rose 16 per cent to $51m.

Sales in the flight systems division, which includes Sikorsky helicopters and the Hamilton Electronic controls business, rose modestly to $813m from $806m in 1994, while operating income climbed to $47m from $45m.

Net income for the quarter was $135m, or $1.03 a share. That is a 38 per cent increase on income for the same period last year, which was 73 cents a share after an accounting change made in connection with the company's employee stock ownership plan. Quarterly revenues rose 12 per cent to $5.34bn.

Correction

Colgate

Colgate-Palmolive's Asia and Africa division increased sales by 19 per cent in the first quarter. This was incorrectly stated in yesterday's FT.

Market disappointed by US Steel earnings

By Laurie Morse in Chicago

Rising operating costs linked to planned shutdowns at three blast furnaces held first-quarter earnings at USX Corporation's US Steel Group to $74m, or 89 cents a share, far below market expectations of profits of about $1 a share.

Results for the quarter ended March 31 were better, however, than the company's net loss of $35m, or 56 cents, in 1994's first quarter.

First-quarter sales were $1.57bn, up from $1.4bn a year ago. US Steel's shares tumbled $1¼ to $31¾ in early trading in New York after the earnings announcement.

The company said its steel-making operations ran at 95.5 per cent of raw steel capacity in the first quarter, in spite of the planned blast furnace shutdowns. USX said its US Steel Group would produce 12.5m tons in 1995, about 0.5m tons higher than previously forecast.

Mr Charles Corry, USX chairman, said outlook for the group's steel products continues to be favourable.

Overall, USX Corporation, which includes US Steel and the Marathon and Delhi energy groups, said first-quarter net income rose to $154m, or $1.46 a share, from $75m, or 68 cents, in the 1994 first quarter. Consolidated sales rose to $5bn, from $4.2bn last year.

The company's Marathon Group had income of $77m, or 26 cents a share, on sales of $3.3bn. The results included a $55m favourable after-tax adjustment to inventory values.

In last year's first quarter the group had net income of $110m, or 38 cents, including favourable adjustments of $89m, on sales of $2.7m.

Strong growth overseas lifts 3M in quarter

By Laurie Morse

Minnesota-based 3M reported stronger-than expected first-quarter results, saying new product acceptance and double-digit growth in overseas sales had boosted income.

For the quarter ended March 31, the company, whose primary products include adhesives and magnetic tapes for industrial, consumer, health-care and traffic safety applications, had net income of $376m, or 90 cents a share, up 23 per cent from $306m, or 72 cents, a year earlier.

The results included a $35m, or 5 cents a share, charge for litigation related to breast implants. 3M said sales rose to $4bn in the quarter, from $3.6bn in the 1994 period.

Mr L. D. DeSimone, chairman, said the company saw volume growth in all main geographic areas abroad.

American Brands fall blamed on disposals

By Richard Tomkins in New York

American Brands, the US consumer goods group, yesterday blamed the disposal of its Franklin Life insurance business and its American Tobacco cigarette subsidiary for a fall in first-quarter net income, to $116.6m from $149.2m.

It said that if the businesses sold were treated as discontinued operations, the first quarter would have shown strong growth. Excluding the divested businesses, net income rose 18 per cent.

Fully-diluted earnings per share, boosted by stock repurchases, rose 20 per cent to 59 cents.

By far the biggest profits increase came from UK-based Gallaher Tobacco, which lifted its contribution to operating profits to $148.8m from $126.2m. American Brands said, however, that this resulted partly from distortions to trade buying related to UK budget announcements, and would not be repeated in the second quarter.

The profit contribution from the distilled spirits division fell to $35.8m from $38.4m, mainly because of the impact on Whyte & Mackay of price cuts in own-label rivals in the UK. Jim Beam achieved a 4 per cent increase in contribution, but it benefited from comparison with a quarter when domestic trade inventory levels were cut.

The MasterBrand hardware and home improvement group lifted operating profits from $48.6m to $53.4m; the ACCO office supplies division boosted profits to $22.5m from $19.4m; and the Titleist and Foot-Joy leisure products division increased profits to $23.7m from $21.5m.

INTERNATIONAL COMPANIES AND FINANCE

US chemicals groups report strong first term

By Richard Tomkins in New York

Net earnings at Du Pont, the US chemicals group, shot up to $959m from $642m in the first quarter to March 31 as the company continued to reap the benefits of lower costs and strong cyclical growth in demand for its products.

Union Carbide, another US chemicals group, also benefited from the same trends, raising first quarter net income to $230m from $63m on the back of bigger volumes and higher prices for its products.

Earlier this month Du Pont paid $8.8bn to buy back 156m of its shares from Seagram, the Canadian drinks group diversifying into the entertainment business. Yesterday Du Pont said this transaction did not affect first-quarter results, but would have a positive effect on future earnings per share.

First-quarter sales rose to $10.5bn from $9.2bn and earnings per share rose to $1.40 from 94 cents. But Du Pont said that on a pro forma basis, if the Seagram transaction had taken place at the beginning of the year, earnings per share would have been $1.65.

Mr Edgar Woolard, chairman, said Du Pont continued to see strong demand in chemicals and specialities and, more recently, higher prices. In addition, the weaker dollar had boosted overseas earnings.

"This was clearly demonstrated in Europe and Asia, with earnings from these regions more than double last year's first quarter," Mr Woolard said. The petroleum segment, although down, performed "quite well given the difficult industry conditions".

Operating profits in the chemicals segment rose by 101 per cent to $167m, largely because of better results for white pigments and specialty chemicals. In the fibres segment, operating profits rose by 42 per cent, mainly reflecting improvements in aramids, Dacron polyester, nylon and Lycra spandex.

The polymers segment increased operating profits by 60 per cent to $235m, with engineering polymers, packaging and industrial polymers, and elastomers continuing to do well; and the diversified businesses segment increased operating profits by 60 per cent to $237m, largely because of better results from agricultural products and films.

In contrast, operating profits in the petroleum segment fell by 13 per cent to $186m because of the worldwide decline in refined product margins.

Union Carbide increased sales from $1.1bn to $1.5bn, with overseas sales especially strong during the quarter. Fully diluted earnings per share, boosted by stock repurchases, rose from 87 cents to $1.43.

CME sees a brighter future for Mexico in peso contract

The currency needs a forward market, says Laurie Morse

When the Chicago Mercantile Exchange begins trading Mexican peso futures today, the world's foreign exchange trading community will be watching closely. If the contract is successful, bank executives say, it will build liquidity in the spot market for pesos and bolster lagging confidence in Mexican investments.

"This is a first step in getting a forward market established for the Mexican peso," says Ms Jamie Thorsen, managing director of US foreign exchange trading for the Bank of Montreal. Mexico's central bank, through a series of regulations, has in effect prohibited banks from arranging long-term contracts for peso deliveries.

Such "forward" contracting is common for most of the world's currencies, and is widely used by corporate treasurers and others to manage currency risk. The absence of a forward market is widely believed to have contributed to the velocity of the peso's free-fall between December and March, when it lost nearly 50 per cent of its value against the US dollar.

Although the peso would still have declined, "it would have been a calmer process and taken longer", had there been a way to manage peso exposure over a longer period, says Mr Ramon Uribarri, vice-president for foreign exchange institutional marketing at First National Bank of Chicago.

Mr Uribarri says that a liquid forward market in pesos would have exposed the currency's weakness long before the spot market crisis, and served as an early warning system to Mexico's central bankers. "It would have forced reform – they would have had to tighten monetary policy, raise interest rates," he says.

In the absence of peso forward contracts, investors bullish on Mexico instead bought Mexican stocks and other securities. As the peso tumbled this year, investors fled the Mexican stock market, adding to the crisis. Now, risk managers note, the CME futures contract will allow corporations and other investors to buy pesos directly.

"The more outlets a corporate treasurer has to manage risk, the more confidence he has, and the less likely he is to panic," says Mr Robert Orescanin, director of emerging markets for the Bank of Montreal. "Both sides of the market can take a more realistic view once a formal market is in place."

Mexican authorities, who have constrained forward contracts in their currency for fear of losing control over it, will also be watching the peso experiment at the CME. They gave the exchange special exemptions from the forward trading rules last month, reversing a ruling that shut down a similar CME peso futures contract a decade ago.

The Mexican government is under pressure from Mexican businesses to set an exchange rate regime that offers less uncertainty than the existing free float. The government, which currently lacks the reserves for any kind of exchange rate peg, hopes the pressure will be lifted by active forward and futures markets which will allow Mexican companies to hedge foreign currency exposures.

The contract has given an unexpected boost to the CME. All of the exchange's futures contracts in other foreign currencies are secondary – some say insignificant – to private bank forward contracting. In the peso's case, the CME will become the primary market for the currency's risk management.

Nevertheless, success of the new contract depends largely on whether the large Mexican banks can persuade their corporate clients to participate.

There is some confusion in Mexico over who will be allowed to use the contract, says Mr David Goon, the CME's vice-president of currency and interest rate marketing. He says, however, that the peso's recent recovery will aid the launch.

Asarco upbeat after first-quarter rise

Asarco, the US copper group, said the outlook for the base metal markets was good, adding the supply and demand fundamentals appeared to be favourable for at least two years. **Reuter reports from New York.**

First-quarter profits rose to $65.7m, or $1.56 a common share, from earnings of $26.6m, or 64 cents, for the first quarter of 1994.

The year-earlier quarter included a $31.9m gain on the sale of Asarco's remaining interest in Asarco Australia.

The company said earnings improved in the first quarter of 1995 because of higher base metal prices, lower costs and operating improvements in all its main businesses.

Earnings also benefited from its interest in Southern Peru Copper, which was increased to 63 per cent on April 5.

NEWS DIGEST

E Merck arm lifts earnings 22% to SFr199.7m

Merck AG, the quoted subsidiary of E. Merck, the private German drugs company which plans a public share offering this summer, recorded a 22 per cent increase in net profits for 1994 to SFr199.7m ($181.5m) from SFr155.4m, writes Daniel Green.

Merck AG was originally set up as a vehicle for E. Merck's non-German businesses and is quoted in Zurich.

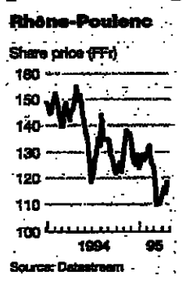
Sales in 1994 rose to SFr2.8bn from SFr2.7bn and operating profits increased to SFr368.1m from SFr317.7m.

The dividend of SFr26 per bearer share was unchanged from the previous year.

Merck AG is 53 per cent owned by Darmstadt-based E. Merck. The parent company is planning to raise cash on the equity markets to help pay for a series of acquisitions that took it, rather than its subsidiary, into non-German markets.

Those acquisitions included Lipha of France and 51 per cent of the capital of Amerpharm, a generic drugs manufacturer controlled from the Netherlands with businesses in several countries, including the UK and Canada.

Rhone-Poulenc Rorer posts strong growth



Rhone-Poulenc Rorer, the US drugs company majority owned by French chemicals company Rhône-Poulenc, reported a 17 per cent increase in net profits in the first quarter of 1995, to $86m from $74m, writes Daniel Green. The company is the latest of several US-based drugs groups to show strong profits growth after a period of uncertainty sparked by fears of US healthcare reform.

First-quarter sales advanced 14 per cent to $992m from $871m, helped by the weak dollar but held back by sales of businesses during 1994.

Earnings per share grew 19 per cent to 64 cents. However, adjusted for the currencies, disposals and other charges, underlying growth in earnings per share was 15 per cent, RPR said.

Quebecor Printing puts expansion on hold

Quebecor Printing, one of the biggest commercial printers in Europe following its acquisition of HunterPrint in the UK and Jean Didier in France, will consolidate this year before embarking on further expansion, said Mr Charles Cavell, president, **writes Robert Gibbens in Montreal.**

First-quarter revenues from North American and European operations were US$687m, up 54 per cent from $445m a year earlier, and include the two big acquisitions completed late last year.

The Canadian group's European operations will represent 16 per cent of total 1995 revenues.

Net profit was $17.3m, or 17 cents a share, little changed in spite of higher financial charges.

The company has now more than replaced a big US printing contract which runs out at the end of 1995, Mr Cavell said.

The European market is the world's second largest at $85bn annually, after the US ($115bn), but is more fragmented than North America. Quebecor Printing aims to improve this year's performance of HunterPrint and Didier which both print leading magazine titles.

Australian gold miner suffers setback in term

Newcrest Mining, the Australian gold miner, said yesterday that profits before abnormals and tax during the March quarter fell to A$16.8m (US$12m) from A$20.5m in the same period a year ago, writes Nikki Tait in Sydney. Profit after tax dropped to A$3.7m from A$12.3m. The company blamed lower gold production and sales on severe western Australian storms, which caused extensive flooding in the state and seriously disrupted a number of mining operations.

Newcrest said this would likely impact June quarter figures, and that earnings after tax for the 18 months to end-June would probably be about A$12m below earlier expectations.

The company is in the process of changing its annual balance sheet date from end-December to end-June.

Profits after tax for the first 15 months of the current period stood at A$54.1m.

Cameco lifts sales forecasts for 1995

Cameco, the Canadian uranium producer, has revised upwards its 1995 sales projections. The group said that following spot market activity in the first quarter, average prices were up 9 per cent from a year earlier, **writes Robert Gibbens.**

The collapse of a US trader and its inability to make certain uranium deliveries contributed to the price turnround after a steady decline since mid-1991, Cameco said. The impact will extend into the second quarter as world utilities seek alternative supplies.

"We're expecting more demand, and earnings for the full year will be above the 1994 level of C$81m (US$57.8m), or C$1.56 a share, on sales of C$348m," it said.

First-quarter net profit was C$12m, or 23 cents a share, down from C$13.8m, or 26 cents, a year earlier, on revenuss of C$59m, against C$58m. The first quarter normally represents a small proportion of the year's results.

Ascom returns to the black in year

Ascom, the troubled Swiss telecommunications equipment group, recorded net income of SFr21m ($19m) last year after two years of heavy losses, **writes Ian Rodger in Zurich.**

The group, which has been struggling to adapt to liberalised telecoms markets, said in a preliminary statement that it achieved a SFr49m operating profit after a SFr130.1m loss in 1993.

Revenues, excluding the effect of acquisitions and disposals, increased 8.5 per cent to SFr3.04bn and incoming orders on the same basis were up 2 per cent to SFr2.98bn.

Safra Republic declines to $39.4m in period

Safra Republic, the Geneva-based international private banking group controlled by Mr Edmond Safra, reported consolidated first-quarter 1995 net income of $39.4m, or $2.22 a share, down 9 per cent from the "exceptional" first quarter of 1994, **writes Ian Rodger.**

Commission income tumbled 36 per cent to $17.3m, more than offsetting big gains in foreign exchange and trading income. Net interest income was flat at $57.1m.

Expenses were up 10.8 per cent to $37m, mainly because of the conversion of costs incurred in Europe to dollar terms.

Total assets at March 31 were $13.7bn, up 14 per cent from a year earlier. Shareholders' equity stood at $1.32bn, against $1.19bn at the end of March, 1994.

Stelco cautious despite turnround to C$51m

Stelco, one of Canada's two biggest steelmakers, improved first-quarter results significantly but warned that a slowdown in North American economic growth may bring some uncertainty in the second half of 1995, **writes Robert Gibbens.**

First quarter net profit was C$51m (US$36.4m), or 45 cents a share, against a loss of C$13m, or 19 cents, a year earlier. Sales advanced to C$780m from C$674m.

Demand for hot rolled sheet was softening, Stelco said, but the impact would be felt in imports first. Demand for large diameter transmission pipe, however, is expected to pick up. The order book overall was reasonably strong through to mid year, Stelco added.

هكذا من الأصل

هكذا من الاصل

COMPANY NEWS: UK

Bowater name change to end confusion in US

By Patrick Harverson

The late Sir Eric Bowater might not have approved, but the company he helped transform from a small City-based paper supplier into the largest producer of newsprint in the world is dropping the family name.

As from next month, the paper and packaging group Bowater will be known as Rexam, and the 114-year old Bowater name – synonymous with the paper and newsprint industries since the 1920s – will join the likes of Woolworth, Ratners and Tiphook in the corporate history books.

The change is being made to end confusion with Bowater Inc of the US, an entirely separate newsprint and pulp company which demerged from its UK counterpart in 1984.

At the time, the US company assumed the exclusive right to use the Bowater name in North and South America.

At first this restriction did not trouble Bowater, but since acquiring a US packaging company called Rexham in 1987, its North American operations have grown to the point where they accounted for 41 per cent of the group's £226m profits last year.

Under these circumstances, the inability to use the Bowater name in the the US, Canada and South America "changed from being a nuisance to becoming a serious commercial disadvantage," said Mr Michael Woodhouse, chairman.

Bowater began looking for a new name last September. After hiring consultants Interband and asking for ideas from employees, Bowater finally came up with the name Rexam when chief executive Mr David Lyon removed the "h" from Rexham while doodling on a note pad.

Although he did not know it, Mr Lyon was maintaining a tradition. The US company Rexham was named when the "w" was dropped from Wrexham, the Welsh town where one of the company's factories was based.

While Rexam does not mean anything itself, Mr Woodhouse said it it appealed on grounds of style, presentation and ease of pronunciation.

Among the names that were rejected were "Hakari" (which means balance in Japanese) and Summus, a made-up word.

Bowater says that the cost of changing its identity will be about £2.5m.

The old Bowater name will still be used in a few areas where the brand is very strong, such as Australia, and in the UK replacement window business.

Trevor Humphries

Sign on: David Lyon (left) and Michael Hartnell, finance director

Cray shares halve after group issues profit warning

By Christopher Price

Shares in Cray Electronics yesterday halved in value, plunging from 155p to 79p, after the data communications group issued a profits warnings, adding to the company's chequered history.

Cray said that it was likely only to break even in the second half after making pre-tax profits at the interim stage of £10m. There would also be a restructuring provision of approximately £6m, leaving the profit figure for the year ended April 30, 1995, at around £4m. Analysts had forecast full-year profits of about £32m.

The warning comes just two years after four Cray Electronics directors shared a £27m bonus paid in company shares for exceeding profit targets.

The group blamed the profit shortfall on the communications business. Cray claimed the division's chief executive, Mr Ray Piggott, had embarked on an ambitious plan to boost sales by more than 30 per cent to £220m in 1994.

Cray said there had been a failure to phase in the increased costs and investment in line with profitability. In December, with sales only 10 per cent ahead, Mr Piggott was replaced by Mr Jon Richards, Cray's Electronics' group chief executive. Mr Piggott could not be contacted yesterday.

Mr Richards defended the board's decision not to reveal the problems with interim results in January. "We [normally] have a strong year-end and we thought we could still pull things around."

Most of the senior management team at Cray Communications was eventually replaced.

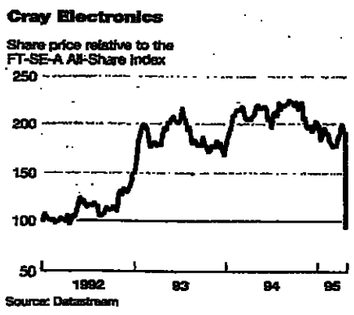
LEX COMMENT

Cray Electronics

Investors have yet to receive a full explanation for the disaster that has befallen Cray Electronics, halving its share price yesterday. But initial indications are that the former go-go data communications group has been hit by a mammoth failure to control over-ambitious expansion plans.

From group management's perspective, the control problem lay mainly with the management of the communications division, most of whom have now lost their jobs. The division not only expanded its costs faster than had been agreed; the divisional chief executive brought in a virtually new management team who changed marketing and production practices with disastrous consequences. One decision was to sell only Cray products in its data communications networks rather than using a mix of the best suppliers, with the result that some customers turned away. Meanwhile a badly-planned shift to just-in-time manufacturing meant Cray did not have enough components to meet orders for some of its products.

But the group management also has much to answer for. It failed to control divisional management. It also delayed reporting problems to shareholders, even though the business was faring badly enough for the divisional chief executive to depart last December. The top management has been rewarded with huge bonuses for what, until yesterday, looked like a fairy-tale turnround at Cray, following a bad patch in the late 1980s. Unless it swiftly demonstrates a firm grip on the business, it too should be replaced.



Melrose Energy at £316,000

Melrose Energy, the oil and gas exploration group, reported pre- and post-tax profits of £316,000 ($512,000) for the half year to December 31. For the comparative period, the company, then USM-quoted Crossroads Oil, achieved £156,000.

In March 1995 Crossroads Oil acquired those parts of Melrose it did not already own, changed the name of the enlarged company to Melrose Energy and joined the Official List. The company invests in, manages and drills for oil and gas partnerships in the US.

Mr Robert Adair, chief executive, said the results exceeded budget. Most of the group's profits are made in the second half.

The latest series of oil and gas limited partnerships closed on March 31 with cash subscriptions of more than £9.1m, which will be used for further development drilling in the Permian Basin in New Mexico and Texas.

Turnover for the enlarged group was £851,000 (£645,000). Earnings per share came through at 0.381p (0.286p).

Williams makes fire protection purchase in US

By Patrick Harverson

Williams Holdings, the diversified industrial group, is acquiring the fire protection products and systems division of Figgie International, the US group, for $48m (£29.6m) in cash.

Last year Williams made several acquisitions in the fire protection business, including buying Oxfordshire's Angus Fire from BBA, the engineering group, for £80m, and Silvani, an Italian fire protection company, for £16.5m.

It spent a total of £212m on fire protection and other acquisitions in 1994 and has indicated that it would be willing to spend a similar sum this year.

The acquisitions are part of Williams' strategy of concentrating on three core businesses – security products, fire protection and building products. When the 1994 results were announced last month, Mr Roger Carr, chief executive, said that Williams would continue to make bolt-on acquisitions.

Figgie Fire Protection Systems, based in Charlottesville, Virginia, had turnover of $65.5m and pro-forma operating profits of $2.3m last year. It makes industrial fire extinguishers and pre-engineered fire protection systems, a range of temperature control products, consumer extinguishers and industrial sprinklers.

EIS at £18.4m

EIS Group yesterday reported a 13 per cent increase in pre-tax profits from £16.2m to £18.4m ($30m) for 1994, the 24th consecutive year of profits growth for the specialist engineer, helped by acquisitions.

Despite the growth in profits, Mr Peter Haslehurst, chief executive, said competitive pressures in global markets were making it difficult for the group to pass on rising raw materials costs to customers.

COMPANY NEWS: UK

ABF cut to £173m by Berisford stake fall

By David Blackwell

A sharply reduced contribution from its investment in Berisford International, now about 11 per cent, held back interim profits at Associated British Foods, the milling, baking, and sugar group.

Pre-tax profits for the six months to March 4 fell from £181m to £173m, ($280m) as profits from the Berisford stake tumbled from £29m to £7m.

At the operating level ABF edged ahead by 4 per cent to £153m; group turnover rose by 9 per cent, to £2.25bn (£2.06m).

Mr Garry Weston, chairman, described market conditions as "very, very competitive," making it difficult to recover cost increases. The main problem area was packaging, where costs had risen by 15 to 20 per cent.

In the first half Allied Bakeries profits were only marginally ahead, with efficiency savings being offset by further discounts to customers.

However, Mr Weston was confident that this month's 2.5 per cent rise in bread prices – the first increase for almost three years – would stick.

British Sugar lifted profits from £77m to £84m, helped by good prices for exports.

The manufacturing division's operating profits grew from £125m to £131m on sales of £1.6bn. The retail division reported flat profits of £22m on sales up from £603m to £647m.

Investment income, which plunged last year, rose by 53 per cent to £26m. Mr Weston said the group had gone for less risky short-term instruments and described the return in the first half as "adequate".

The net cash and investment balance stood at £398m, up from a previous £356m.

The group was continuing to look for acquisitions and would like to move into the growth economies of the east Asia.

Earnings per share were 25.7p, down from 28.5p. The interim dividend is unchanged at 8.5p.

Farnell plans growth in US after French buy

By Christopher Price

Farnell Electronics, the electronic components distribution group, reported a 21 per cent rise in pre-tax profits from £49.1m to £59.2m ($96m) for the 12 months ended January 29, 1995.

The company also announced it was paying £6.4m for Spelec, a French electronic component distributor, and said it intended to make further acquisitions using the £80m it received last month for the sale of its manufacturing division.

Mr Howard Poulson, chief executive, said: "There are a number of business opportunities we are examining in the US and we expect to make several purchases in the £10m to £20m range in the next two to three years."

He added that Farnell would also be looking to strengthen its presence in France and Germany, as well as developing initiatives in east Asia.

Turnover rose 61 per cent to £514.2m as the group reported strong growth from both its components and services divisions. Earnings per share advanced from 24.4p to 28.7p. A final dividend of 5.2p is proposed, making a total of 9p, for the year, a rise of 22 per cent.

The components business, which provides products from catalogues for mainly small production companies, increased sales in its core UK market by 8 per cent, while the overseas business rose by 40 per cent. Farnell Services, which concentrates on volume distribution, increased sales by 9 per cent. The manufacturing business had sales of £70.1m and operating profits of £7.4m.

Howard Poulson: number of opportunities being examined

With the cash generated from the on-going business, Farnell has a war chest of £95m, although Mr Poulson ruled out a large purchase. "There are simply no big volume distributors for us to buy in the markets we want to go into. We are likely to acquire smaller niche players when the time is right."

However, he said that should the cash pile remain sizeable within the next two to three years, the board might consider giving some of the proceeds back to shareholders.

Forecast profits this year of about £73m put the shares on a 30 per cent premium to the market.

Hillsdown receives C$674.2m for MLF

Hillsdown Holdings, the food processor, will receive a total of C$674.2m from the sale of its 56.1 per cent stake in Maple Leaf Foods of Canada to the Wallace McCain family and the Ontario Teachers Pension Plan Board.

It will receive cash of C$641.1m and 5.59m shares in Amalco, the company resulting from the acquisition. Hillsdown is selling the shares at C$5.93, raising a total of C$33.1m.

The proceeds will pay off Hillsdown's North American debt leaving it with total debt of less than £100m and gearing of 15 per cent.

Hillsdown bought the stake in 1987 and has heavily restructured the company. However, without full control it believed it could not realise Maple Leaf's full potential.

Dailywin and Disney

Dailywin Group, the Hong Kong-based watch designer and maker of watches that floated last month with a valuation of £15.4m ($25m), has signed a licence to make and sell in China watches carrying pictures of Disney characters.

Oxford Molecular

Oxford Molecular, which specialises in pharmaceutical industry computer software, unveiled its first results since last year's listing with a pre-tax loss of £2.91m, ($4.7m) against £1.27m.

Losses per share were 8.6p (8.9p). Turnover was up from £1.41m to £2.77m, helped by £754,000 from acquisitions.

The group, the first to be spun out from Oxford University, made two acquisitions for shares during the year: Intelli-Genetics, a supplier of bioinformatics software based in the US, valued at £5.9m, and CAChe Scientific, a developer of computer-aided molecular design products, for £5.7m.

Mr Roderick Hall, the chairman, said: "These acquisitions have given the group an immediate high profile in the US market, which represents over 50 per cent of our target market and includes approximately 80 per cent of the world's biotechnology industry."

BP Chemicals expands capacity

By Jenny Luesby

BP Chemicals yesterday announced a near-30 per cent expansion in capacity of its plant in Grangemouth, Scotland, which cracks gas into first-stage bulk chemicals.

The company last year closed its other British cracker, at Baglan Bay, south Wales, as uneconomical in an over-supplied market.

However, European demand for ethylene and high and low-density polyethylene, produced from the cracker's output, rose sharply last year.

Most of this was because of increased industrial production. Rising exports, triggered by temporary plant closures in the US, and stockbuilding also made a difference.

Ethylene demand rose by 11 per cent last year, said Mr Mike Buzzacott, chief executive of BP Chemicals' polymers and olefins business. This caused price rises of nearly 80 per cent in six months, which had returned margins to 1988 levels, he said.

However, the closure of Baglan Bay had not been a strategic error: "We have got rid of an essentially uncompetitive facility, and are enhancing a very competitive one."

At £20m, the expansion would cost only half as much as a full start-up, he said, and would be able to withstand very low margins in the future.

US plastics turnround helps McKechnie

By Paul Cheeseright, Midlands Correspondent

McKechnie, the plastics and metal components group, lifted first half pre-tax profits by 53 per cent and has increased its dividend for the first time since 1989.

The profits rise, in line with expectations, prompted the shares to jump to 432p against a sluggish market before settling back to 425½p for a net rise of 6½p.

Pre-tax profits for the six months to January 31 were £20.2m ($33m), compared with £13.2m. Earnings per share improved from 10.3p to 14.7p. The interim dividend goes up 10 per cent, to 5.5p. Since the year to July 1989, the group has held its full year distribution at 14.75p.

Turnover rose from £191.5m to £255m and operating profit before interest rose from £14.1m to £21.7m. In both cases the increases reflected organic growth and the influence of acquisitions. There was a first full half contribution from Linread, the fasteners company, bought last year, for example.

The figures also reflected the return to profit of troublesome plastics operations in the US, a strong performance from metals companies in the Pacific and increased market share for components used on new model cars in the UK.

However, McKechnie has been hit by the weakening of the Australian against the New Zealand dollar. "We don't expect profits to grow nearly as fast as they have," warned Mr Michael Ost, chief executive.

In the UK the flat housing market meant that the consumer products division had to rely on new products and productivity gains to secure an increase in profits.

Sectoral activities are now evenly balanced between plastics, consumer and special products groups, but sales are still weighted towards the UK and the Pacific. Mr Ost reiterated the group's desire for acquisitions in the US and continental Europe.

With pre-tax profits this year of about £46m, to produce earnings per share of 33p, the prospective multiple is less than 13.

RESULTS

		Turnover (£m)		Pre-tax profit (£m)		EPS (p)		Dividends: Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
Ass British Foods	24 weeks to Mar 4	2,248	(2,063)	173	(181)	25.7	(28.5)	8.5	Sept 1	8.5	-	16‡
Eadie	Yr to Dec 31	31.8	(29.5)	0.779♠	(1.96)	1.01	(2.55)	0.7	-	0.7	1	1
EIS	Yr to Dec 31	347.2	(253.2)	16.4	(16.2)	27	(24.9)	9.3†	July 10	9	12.7	12.3
Farnell Elect	Yr to Jan 29	514.2	(320.1)	59.2♠	(49.1)	28.7	(24.4)	5.2	July 3	4.2	9	7.4
How	Yr to Dec 31	125.3	(133.4)	2.85L♠	(2.13L)	6.42L	(3.61L)	0.375	July 3	0.375	0.75	0.75
McKechnie	6 mths to Jan 31	255	(191.5)	20.2	(13.2)	14.7	(10.3)	5.5†	July 24	5	-	14.75
Melrose Energy	6 mths to Dec 31	0.851	(0.645)	0.316	(0.156)	0.381	(0.286)	0.16	June 23	-	-	0.2
Mice	Yr to Dec 31	12.4	(9.94)	0.471	(0.294)	0.29	(0.21)	-	-	-	-	-
Oxford Molecular	Yr to Dec 31	2.77	(1.41)	2.91L	(1.28L)	8.6L	(8.9L)	-	-	-	-	-
Prime People	Yr to Oct 31	0.77	(1.3)	0.44L	(1.65L)	0.87L	(3.2L)	-	-	-	-	-
Stratagem	6 mths to Feb 28	45.6	(33.8)	1.5	(0.28)	7.3	(1.6)	2	May 19	1.5	-	5
VTR	6 mths to Feb 28	6.08	(5.75)	0.866	(0.697)	5.6	(5.6)	1.6†	June 16	1.45	-	4
Wessex §	Yr to Jan 28	10.9	(8.37)	1.03	(0.318)	9.14	(2.87)	2.85	July 3	1.375	4.35	2

Investment Trusts		NAV (p)		Attributable Earnings (£m)		EPS (p)		Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
Abtrust Preferred	9 mths to Feb 28 ☆	87.67	(118.2)	2.39	(2.91)	12.58	(15.32)	3♦	Apr 28	2.9063	-	12
Fleming Inc & Cap	Yr to Mar 31	121.3	(124)	5	(4.55)	5.41	(4.93)	2.1	June 1	1.9	5.1	4.9
Govett Strategic	6 mths to Mar 31	255.2	(286.6)	2.36	(3.52)	2.4	(3.59)	2.65	June 16	2.65	-	6.75
I&S Enterprise Cap	6 mths to Mar 31 ★	126.6	(126.7)	0.003	(0.195L)	0.01	(0.52L)	-	-	-	-	-
Kleinwort Second	6 mths to Mar 31	105.4	(98.5)	0.186L	(1.34L)	0.93L	(6.71L)	-	-	-	-	-
Lowland	6 mths to Mar 31 ★	291.6	(328)	1.08	(1.02)	4.5	(4.35)	3.5	June 16	3.3	-	9.3
N Atlantic Smaller	Yr to Jan 31	270	(264)	0.521L	(0.12)	5.7L	(1.38)	nil	-	nil	nil	nil

Dividends shown net. Figures in brackets are for corresponding period. ‡Excludes special distribution of 10p. †On increased capital. ♠After exceptional charge. §USM stock. ☆Comparatives for year to May 31. ♦Third interim; makes 9p to date. ★Comparatives restated.

هكذا من الأصل

COMMODITIES AND AGRICULTURE

Belgian gold sale steadies market

By Kenneth Gooding, Mining Correspondent

Belgium's central bank revealed yesterday it had sold 175 tonnes of gold (5.627m troy ounces) to another central bank for foreign currency worth Bf69bn (about US$2.446bn).

Analysts suggested there was not enough information about the sale – there was no indication which bank bought the gold and what it intended to do with the metal – to make a reasoned assessment of the likely impact on the market.

Nevertheless, the initial reaction was mildly positive and gold closed in London at $391.40 an ounce, up 90 cents.

A Belgian official indicated that the sale had been made to bring the share of gold in the country's reserves into line with its neighbours. Belgium had about 700 tonnes of gold left. Ms Rhona O'Connell, analyst at T. Hoare and Co, suggested this explanation did not stand up. Once adjustments were made, gold would still account for about 40 per cent of Belgium's total reserves.

Mr George Milling-Stanley at Lehman Brothers said Belgium's announcement showed that "the gloomsters and doomsters who say central banks don't want gold are wrong". He guessed the gold had gone to an Asian country.

The immediate impact of the Belgian news would be positive, said Mr Andy Smith, analyst at Union Bank of Switzerland. "There will be relief that the gold has gone into safe hands. In the longer term, however, it shows that central bank holdings are not inert."

Central banks own about 36,000 tonnes of gold and in the past big sales from these hoardes have tended to depress the price. Belgium previously sold 127 tonnes in March 1990 and a further 202 tonnes in June 1992. The Dutch central bank sold 400 tonnes late in 1992.

According to the Gold Fields Minerals Services consultancy group, net central bank gold sales in 1994 at 46 tonnes were only one tenth of those in the previous two years. Lehman's Mr Milling-Stanley suggested that, as well as the Belgian disposal, there were "distress sales" by Latin American central banks earlier this year forced by the Mexican currency crisis.

Unseasonal frosts bite into crop prospects

British growers of fruit, succulent vegetables, early potatoes and cereals all look like catching a cold

FARMER'S VIEWPOINT

By David Richardson

Scandinavians think it is marvellous; sitting in a hot sauna for half an hour and then rolling in the snow. My grandmother had a variation of the theme that involved alternately splashing the body with hot and then cold water. Plants, however, do not like it at all.

Bright sunny days followed by frosty nights with temperatures falling as low as minus 5° °C and interspersed with occasional snow and sleet showers is not a farmers' ideal recipe for spring. But that is what has happened across wide areas of the UK during the past few weeks and many crops have suffered, some quite seriously.

Worst affected have been flowering fruit trees and bushes, succulent crops such as asparagus and early potatoes. Potential yields of some of those early and therefore high-value crops have been hit hard and in some cases first pickings have virtually been written off. Sugar beet and some autumn sown cereals may also have been affected, although it is too soon to be sure.

One unfortunate Cambridgeshire fruit grower told me at the weekend that she estimated frost damage to her pear trees, which were in full flower when worst frosts struck, would reduce yield by 50 per cent. Some early apple varieties, such as russets and Bramley's, had also been coming into flower at the time and although not as badly frozen as the pears would probably yield below previous expectations.

On the same farm there were worries about black currants and gooseberries. If the frost caught them at the most critical stage of growth it may cause developing fruitlets to fall, rendering the crops a virtual write-off for this year. Again only time will tell. But the earliest strawberries on the farm had already been lost in spite of being covered with a floating plastic mulch – that is a layer of plastic intended to enhance sunlight, warm the soil and the plants and persuade them to flower and fruit early. This year, however, the frost penetrated the plastic and many of the early flowers were destroyed.

On another fruit farm in Suffolk, closer to the coast, and therefore protected from the worst of the frost by the relative warmth of the sea, the grower thought his floating mulch-covered early strawberries had survived. But because of the continuing frosts he was having to replace the mulch every night after removing it during the day to allow insects to pollinate the flowers – a difficult, time-consuming and expensive operation. He should, however, at least have some early strawberries, which will make good money because of the potentially short supplies caused by problems experienced elsewhere.

Most of the fruit growing areas of Britain have been affected to some extent, the worst-hit areas appearing to be where the sharpest frosts occured across the centre of the country.

Another specialist crop that is normally coming close to harvesting in late April and early May is asparagus. This year, however, most of the early shoots, which were just emerging when the nights turned cold, have been frozen and ruined. The majority of the crop, whose growing tips were still below the surface, were unaffected and should come ready to cut in due course. But fresh asparagus fanatics will have to wait a week or 10 days longer than usual this year; and that is assuming the frosts do not continue this week and beyond. If they do, a steadily increasing proportion of all vulnerable crops will be damaged with subsequent and more serious yield loss.

One mainstream crop that has suffered serious and widespread damage is early potatoes.

Here again it has become common practice in the UK to cover such crops with plastic to protect the foliage and advance the date of harvesting. This year, however, that has not been enough. There are reports from many parts of the country of serious frost damage to leaves, which have been frozen and therefore destroyed through their protective plastic. Potatoes are hardy plants and the leaves will grow again; but while they are doing so the plants will not put the necessary energy into swelling the tubers in the soil below and that in turn will delay the time when they will be ready for lifting. With a price sensitive crop like early potatoes that can mean a difference of as much as £100 a tonne, perhaps turning profit into loss.

The knock-on effect can be equally serious for second early potatoes. Potatoes will continue to bulk up the longer they are left in the ground and growers of delayed earlies will almost certainly calculate the economic yield at which they can afford to lift at lower prices, which will be a few weeks later than normal. This means they will "trespass" on the markets of growers geared to mid-summer lifting. Early growers will be particularly peeved at missing the really early markets this year because potatoes of all grades remain in short supply right across Europe.

Broad-acre crops such as cereals and sugar-beet are less affected by cold snaps. But cold soil means slow or non-existent growth and in the case of sugar-beet, which have only just been planted on most farms, greater vulnerability to the range of pests that attacks them. Mice are some of the most troublesome. They eat the seeds before they have time to germinate. As surviving seedlings emerge sky larks have a habit of pecking them off level with the soil; not to mention similar predation by hares and pheasants. Spring frost also pre-disposes sugar beet to "bolt" – that is to throw up a seed head later in the summer, producing small roots with below average sugar content.

Late frosts can also severely reduce the yield of early sown winter barley. This year more was sown early than usual. Many growers had been caught out in the previous wet autumn finding themselves unable to plant at the proper time. Last year they decided to plant in early September instead of a few weeks later. Those crops are now approaching maturity and close to coming into ear. Experts predict that last week's frosts may have stunted the development of the grains in those ears and that this may lead to significant yield losses, which cannot accurately be until at harvest time in late July.

It only goes to show that even the most alert farmer cannot beat nature.

Indian copper expansion planned

By Kunal Bose in Calcutta

Hindustan Copper (HCL), a state undertaking, has received "initial clearance" from the Indian federal government to expand the capacity of its smelter and refinery at Khetri in Rajasthan to 100,000 tonnes from 31,000 tonnes. The company has commissioned Mesco of Japan to prepare a basic engineering report. Mecon, the Indian consultants, will submit the detailed feasibility report in August.

According to Mr Ved Leekha, chairman of HCL, "the company will be importing copper concentrate to run the expanded capacity of the Khetri complex. However, the dependence on import will go down to some extent when we expand the open pit mine at Malanjkhand and start a new mine at Chapri-Shiddeswar".

Industry officials say the use of imported concentrate will improve the viability of the Khetri complex. Copper content in Indian ore is around 1 per cent, compared with 3 to 4 per cent in most other producing countries, they point out. Moreover, Indian ore contains very little gold and silver.

Mr Leekha thinks Khetri's fairly well developed infrastructure means "it should be possible to complete the expansion at an investment of Rs3.65bn (US$118m). A greenfield site project of 70,000 tonne capacity will cost nothing less than Rs12bn".

The company will be funding the expansion programme from a public share issue and loans. Work on the project should start in the last quarter of 1995.

HCL will also raise capacity at its other smelter at Ghatsila in Bihar from 16,500 tonnes to 35,000 tonnes. Here too, the company will be importing copper concentrate to run the expanded capacity.

The country's only producer of copper, HCL meets less than a third of India's annual requirement of about 160,000 tonnes of the metal.

Quality is the key to Zimbabwe tobacco price prospects

By Tony Hawkins in Harare

Hopes of firmer prices at the 1995 flue-cured tobacco auctions opening here today hinge largely on the quality and composition of the crop.

World tobacco demand is firm and industry sources predict a crop of about 190m kg, up 12 per cent on last year, which they expect to sell at an average price of more than 185 US cents and perhaps as much as $2 a kilogram.

This would be the best price since 1991 and an improvement of at least 10 per cent on last year.

With the rest of the farming sector reeling from yet another drought year – the third in the last four – sales of the country's top export are more than usually important to the Zimbabwe economy. Mr Peter Richards, president of the Zimbabwe Tobacco Association, which represents growers, is confident that no more than a fifth of the crop has been adversely affected by the drought, but some other analysts are less sanguine. They believe that up to a third of the crop could turn out to be drought-stressed, with higher nicotine content than some buyers might like.

If Mr Richards is right, then the average price could come close to $2 a kilogram – up 15 per cent on 1994.

Such is the strength of world demand too that grade-for-grade growers anticipate modestly higher prices than last year, though the final outcome will depend on the quality composition of the crop. Overall, the mood is optimistic with a senior ZTA official saying the crop will cover a broad spectrum with "something for everyone".

Last year, overseas sales of tobacco were estimated to have earned US$400m, or 22 per cent of total exports. Higher volumes and prices point to further export expansion this year, though there is still a long way to go to regain 1991's boom level of US$532m, when the price averaged a record $3.25 a kilogram.

ZIMBABWE TOBACCO

	Output million kg	Value US$m	Exports US$m	Average Price US cents/kg
1990	134	354	395	265
1991	171	572	532	325
1992	201	320	450	160
1993	218	270	366	124
1994	169	292	400	173
1995*	190	360	n/a.	185c/195c

* = forecast. Source: Central Statistical Office, Harare.

COMMODITIES PRICES

BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1896-7	1882-3
Previous	1890-1	1871-2
High/low	1896	1894/1872
AM Official	1885-6	1877-8
Kerb close		1890-1
Open int.	196,762	
Total daily turnover	46,280	

■ ALUMINIUM ALLOY ($ per tonne)

Close	1755-65	1780-90
Previous	1745-55	1770-80
High/low		1795/1780
AM Official	1750-55	1780-81
Kerb close		1790-800
Open int.	2,399	
Total daily turnover	638	

■ LEAD ($ per tonne)

Close	629-30	640-41
Previous	628-9	639-40
High/low		643/635
AM Official	624-25	635.5-36.0
Kerb close		641-2
Open int.	32,768	
Total daily turnover	7,712	

■ NICKEL ($ per tonne)

Close	7425-35	7550-60
Previous	7395-405	7525-30
High/low		7600/7530
AM Official	7400-10	7545-50
Kerb close		7585-95
Open int.	49,258	
Total daily turnover	10,951	

■ TIN ($ per tonne)

Close	6030-40	6030-40
Previous	5920-30	5920-25
High/low		6100/5950
AM Official	6055-60	6055-60
Kerb close		6020-1
Open int.	18,104	
Total daily turnover	5,509	

■ ZINC, special high grade ($ per tonne)

Close	1072-3	1095-6
Previous	1071-2	1093-4
High/low		1101/1092
AM Official	1073-74	1094.5-95.0
Kerb close		1096-7
Open int.	89,614	
Total daily turnover	18,754	

■ COPPER, grade A ($ per tonne)

Close	2850-51	2833-34
Previous	2869-70	2845-45.5
High/low	2862/2861	2852/2832
AM Official	2861-62	2843-44
Kerb close		2830-1
Open int.	238,954	
Total daily turnover	62,778	

■ LME AM Official £/$ rate: 1.6170
LME Closing £/$ rate: 1.6070

Spot:1.6058 3 mths:1.6042 6 mths:1.6009 9 mths:1.5968

■ HIGH GRADE COPPER (COMEX)

	Close	Day's change	High	low	Open int	Vol
Apr	129.00	-3.90	131.00	129.00	601	163
May	128.25	-3.40	131.10	128.00	13,235	3,181
Jun	127.55	-3.20	129.50	127.55	1,025	137
Jul	126.85	-3.05	129.40	126.75	21,768	5,602
Aug	126.05	-2.90	128.25	126.05	511	23
Sep	125.25	-2.75	127.50	125.60	3,992	187
Total					48,118	9,352

PRECIOUS METALS

■ LONDON BULLION MARKET

(Prices supplied by N M Rothschild)

Gold(Troy oz)	$ price	£ equiv	SFr equiv
Close	391.20-391.60		
Opening	390.60-391.00		
Morning fix	391.05	241.344	440.713
Afternoon fix	390.85	241.919	441.435
Day's High	391.60-391.90		
Day's Low	390.50-390.80		
Previous close	390.30-390.70		

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	5.17	6 months	5.19
2 months	5.16	12 months	5.19
3 months	5.17		

Silver Fix	p/troy oz.	US cts equiv.
Spot	352.50	570.25
3 months	357.65	577.90
6 months	363.60	586.20
1 year	377.25	604.45
Gold Coins	$ price	£ equiv.
Krugerrand	394-397	243-246
Maple Leaf	402.50-405.05	
New Sovereign	91-94	56-59

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	low	Open int.	Vol.
Apr	390.9	+0.4	391.0	390.9	169	8
May	391.6	+0.4	391.6	391.2	339	-
Jun	393.1	+0.4	394.4	392.8	102,351	25,796
Aug	396.5	+0.4	397.7	396.4	23,452	693
Oct	399.9	+0.4	400.0	399.9	7,228	43
Dec	403.5	+0.4	404.4	403.4	16,184	180
Total					198,941	27,313

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

Apr	441.1	+1.8	445.0	439.0	76	22
Jul	443.1	+1.8	445.0	441.5	18,592	7,451
Oct	445.4	+1.8	447.0	444.0	3,373	42
Jan	447.9	+1.8	-	-	1,376	125
Apr	450.9	+1.8	-	-	632	125
Total					24,049	7,765

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

Apr	165.35	-0.35	-	-	20	-
Jun	166.35	-0.35	168.00	166.00	4,646	1,281
Sep	168.25	-0.35	169.00	168.00	1,988	92
Dec	169.50	-0.35	170.00	169.00	168	2
Total					6,828	1,375

■ SILVER COMEX (100 Troy oz.; Cents/troy oz.)

Apr	566.5	-1.3	-	-	4	-
May	568.5	-1.5	576.5	564.5	31,842	26,326
Jul	578.8	-1.7	589.0	578.0	47,742	12,865
Sep	587.7	-1.8	597.0	586.0	10,195	1,031
Dec	590.6	-2.1	-	-	16,104	610
Jan	598.6	-2.2	-	-	15	-
Total					131,937	33,932

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Jun	20.26	-0.15	20.47	20.24	3,231	15,542
Jul	19.90	-0.10	20.04	19.86	117,543	51,415
Aug	19.53	-0.12	19.65	19.50	56,277	20,657
Sep	19.20	-0.14	19.28	19.20	27,485	8,454
Oct	19.02	-0.11	19.02	19.02	20,298	6,272
Nov	18.79	-0.16	18.79	18.79	14,823	3,589
Total					362,011	120,777

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Jun	18.67	-0.12	18.83	18.61	86,748	30,079
Jul	18.18	-0.11	18.33	18.14	21,440	14,339
Aug	17.87	-0.06	17.97	17.83	15,328	5,958
Sep	17.64	-0.04	17.70	17.60	9,270	2,305
Oct	17.53	-0.12	17.57	17.48	7,655	1,137
Nov	17.39	-0.06	17.39	17.39	2,701	105
Total					143,496	54,128

■ HEATING OIL NYMEX (42,000 US galls; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
May	50.70	+0.06	50.75	50.35	20,491	11,482
Jun	50.80	+0.05	50.86	50.50	32,250	8,434
Jul	50.95	-	50.95	50.65	20,316	2,432
Aug	51.20	-0.05	51.20	51.10	8,809	1,241
Sep	51.70	-0.02	51.80	51.70	5,282	105
Oct	52.55	-0.15	52.55	52.55	4,855	383
Total					126,894	26,408

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
May	158.75	+0.75	160.50	158.75	25,026	8,498
Jun	157.00	+1.00	158.25	156.75	22,567	6,978
Jul	156.00	+0.75	157.25	156.00	14,169	2,054
Aug	157.00	+0.75	158.00	157.00	4,223	1,381
Sep	158.50	+1.00	159.00	158.50	4,793	202
Dec	164.00	+0.75	164.00	163.75	13,225	207
Total					91,710	19,412

■ NATURAL GAS NYMEX (10,000 mmBtu; $/mmBtu.)

	Latest price	Day's change	High	Low	Open int	Vol
Jun	1.718	+0.020	1.730	1.705	2,601	33,364
Jul	1.735	+0.012	1.740	1.725	26,984	17,403
Aug	1.738	+0.010	1.745	1.735	20,220	4,030
Sep	1.740	+0.007	1.750	1.735	15,174	3,023
Oct	1.770	+0.006	1.780	1.770	15,828	3,076
Nov	1.840	+0.004	1.840	1.840	12,003	1,369
Total					149,892	64,844

■ UNLEADED GASOLINE NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
May	62.55	-0.85	63.50	62.50	23,645	15,265
Jun	61.65	-0.31	62.25	61.55	32,912	11,340
Jul	60.30	-0.32	60.70	60.30	13,460	3,740
Aug	59.20	-0.16	59.42	59.15	5,866	2,307
Sep	57.90	-	58.00	57.85	2,933	241
Oct	58.75	+0.60	-	-	1,773	145
Total					83,477	33,152

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open int	Vol
May	119.95	-	119.95	119.50	1,139	66
Jul	120.95	-0.10	121.10	120.75	754	5
Sep	104.40	+0.05	104.40	104.25	395	4
Nov	105.35	-	105.45	105.35	2,802	131
Jan	107.40	+0.10	107.40	107.30	929	42
Mar	109.15	+0.05	109.15	109.00	458	13
Total					6,581	261

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

May	352/0	+1/2	352/6	346/0	10,189	1,728
Jul	347/0	+2/2	347/4	342/6	35,313	9,116
Sep	353/0	+1/2	354/2	349/4	5,975	806
Dec	365/6	+1/4	366/4	362/0	5,374	1,029
Mar	370/4	+0/4	370/4	366/0	478	75
Jul	338/0	-2/0	340/0	338/0	54	1
Total					57,382	12,755

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

May	247/0	+0/2	247/2	245/6	53,027	9,701
Jul	254/0	+0/4	254/2	252/4	123,415	11,527
Sep	258/6	+0/6	258/6	257/2	27,200	1,207
Dec	261/6	+0/6	262/0	260/4	117,677	5,908
Mar	268/2	+1/0	268/2	266/6	11,791	188
May	272/4	+0/4	272/4	271/6	805	11
Total					344,986	28,753

■ BARLEY LCE (£ per tonne)

May	111.75	+0.25	111.75	111.50	119	9
Sep	103.25	-	-	-	138	-
Nov	104.70	+0.05	-	-	584	-
Jan	106.65	-0.10	106.75	106.65	206	30
Mar	108.40	+0.40	-	-	106	-
May	109.40	+0.65	-	-	15	-
Total					1,168	39

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

May	569/4	+3/4	570/0	564/6	22,780	6,380
Jul	581/6	+4/0	582/2	576/6	57,429	13,604
Aug	586/6	+4/2	587/0	582/0	8,633	294
Sep	590/4	+4/6	590/4	585/0	4,861	111
Nov	597/4	+4/4	598/0	592/0	37,008	3,160
Jan	605/6	+4/6	605/6	600/2	2,631	84
Total					137,634	23,785

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

May	25.63	+0.19	25.65	25.45	17,627	2,511
Jul	25.31	+0.18	25.38	25.13	33,249	5,709
Aug	25.27	+0.18	25.27	25.12	8,615	749
Sep	25.20	+0.12	25.22	25.05	8,307	844
Oct	25.06	+0.11	25.07	24.95	6,220	131
Dec	24.87	+0.11	24.90	24.75	14,327	1,155
Total					89,738	10,957

■ SOYABEAN MEAL CBT (100 tons; $/ton)

May	164.0	+0.5	164.1	162.3	18,027	4,801
Jul	169.3	+0.8	169.4	167.4	37,134	6,814
Aug	171.3	+0.7	171.5	169.8	10,027	671
Sep	173.2	+0.6	173.5	171.8	7,600	539
Oct	175.3	+0.8	175.4	173.7	10,133	468
Dec	178.3	+0.5	178.8	176.5	13,960	1,133
Total					98,057	14,453

■ POTATOES LCE (£/tonne)

May	310.5	-3.0	315.0	310.5	167	4
Jun	250.0	-	-	-	-	-
Nov	105.0	-	-	-	-	-
Mar	250.0	-	-	-	-	-
Apr	119.0	-4.5	123.5	119.0	218	88
May	135.0	-1.0	-	-	2	-
Total					387	92

■ FREIGHT (BIFFEX) LCE ($10/index point)

Apr	2325	+34	2330	2321	665	34
May	2332	+62	2332	2300	1,098	136
Jun	2230	+60	2220	2190	251	50
Jul	2036	+46	2035	2000	1,098	15
Oct	1995	+30	1995	1990	1,127	31
Jan	1889	+11	-	-	417	-
Total					4,646	266

	Close	Prev
BFI	2310	2289

Tea

There was fair general demand reports the Tea's Broker' Association. Brighter liquoring Kenya and Burundi teas sold well at steady rates with PD's a strong feature. Mediums were irregular and plainer Africans met more limited enquiry and were generally 3-5p easier where sold. Offshore- selective demand with prices often 2-4p easier. Quotations: Best available: 145p/kg, good: 126p/kg, good medium: 108p/kg, medium: 90p/kg, low medium: 78p/kg. The highest price realised this week was 146p for a Kenya pf.1

SOFTS

■ COCOA LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
May	961	-4	964	954	15,585	2,117
Jul	985	-8	990	984	21,173	3,332
Sep	1004	-7	1010	1003	19,087	437
Dec	1027	-5	1030	1025	23,772	341
Mar	1049	-4	1050	1048	24,337	328
May	1059	-4	1059	1056	6,196	1
Total					121,213	6,576

■ COCOA CSCE (10 tonnes; $/tonnes)

May	1391	-9	1405	1390	4,142	250
Jul	1391	-9	1407	1387	29,091	9,835
Sep	1411	-4	1423	1407	14,520	1,454
Dec	1446	-1	1453	1442	10,328	564
Mar	1478	-1	1488	1479	6,044	1
May	1497	-1	-	-	4,543	-
Total					75,860	12,109

■ COCOA (ICCO) (SDR's/tonne)

Apr 21	Price	Prev. day
Daily	953.85	934.88

■ COFFEE LCE ($/tonne)

May	3198	+11	3202	3180	7,500	1,758
Jul	3193	+20	3195	3169	16,037	2,005
Sep	3156	+23	3160	3138	9,189	279
Nov	3141	+38	3141	3106	1,930	50
Jan	3123	+45	3123	3090	316	18
Mar	3105	+55	3110	3105	6	2
Total					34,977	4,113

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

May	175.05	+2.20	175.50	171.35	888	342
Jul	178.30	+2.00	179.20	174.90	17,961	6,335
Sep	180.55	+2.40	181.15	176.80	7,646	1,234
Dec	181.75	+2.95	182.50	179.25	5,495	79
Mar	182.75	+2.70	182.75	182.50	1,711	63
May	183.75	+3.50	-	-	64	3
Total					33,776	8,069

■ COFFEE (ICO) (US cents/pound)

Apr 21	Price	Prev. day
Comp. daily	163.32	161.43
15 day average	158.06	157.56

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

May	13.55	-0.45	-	-	1,267	-
Jul	13.20	+0.75	-	-	2,360	-
Oct	12.58	-0.08	-	-	-	-
Jan	13.25	-	-	-	-	-
Mar	12.03	-	-	-	2,000	-
Total					5,627	-

■ WHITE SUGAR LCE ($/tonne)

Aug	341.2	-3.5	350.8	341.0	13,388	1,911
Oct	308.0	-5.4	319.0	307.0	4,582	327
Dec	301.2	-4.5	311.0	303.5	2,207	93
Mar	300.2	-3.5	309.0	300.0	1,268	268
May	299.9	-2.9	-	-	290	-
Aug	299.6	-2.3	301.8	299.6	138	6
Total					21,910	2,612

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

May	12.99	-0.25	13.39	12.87	26,567	5,595
Jul	11.70	-0.27	12.04	11.55	59,522	8,050
Oct	11.04	-0.25	11.30	10.92	34,139	3,034
Mar	10.84	-0.23	11.10	10.78	19,572	1,787
May	10.72	-0.23	10.96	10.73	5,708	165
Jul	10.58	-0.23	10.85	10.63	5,331	100
Total					151,740	18,774

■ COTTON NYCE (50,000lbs; cents/lbs)

May	116.88	+1.38	117.20	114.50	3,254	3,415
Jul	107.45	+1.65	107.50	104.00	19,817	6,840
Oct	85.25	+1.54	85.30	83.70	8,175	1,050
Dec	79.56	+1.01	79.85	78.55	25,698	3,865
Mar	80.60	+0.95	80.60	79.80	7,488	404
May	80.80	+0.75	80.95	80.45	2,461	164
Total					67,882	15,849

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

May	108.50	-1.15	109.60	108.30	5,763	1,846
Jul	113.10	-1.10	114.30	113.05	14,282	1,956
Sep	116.05	-0.90	116.60	116.00	6,849	221
Nov	110.90	-0.85	112.50	110.90	2,250	81
Jan	112.50	-0.15	112.50	111.70	2,706	161
Mar	114.50	-0.15	114.50	114.50	813	-
Total					63,807	4,265

VOLUME DATA

Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

Apr 24	Apr 21	month ago	year ago
2341.1	2334.0	2312.1	1831.7

■ CRB Futures (Base: 1967=100)

Apr 21	Apr 20	month ago	year ago
237.09	236.87	234.08	221.60

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Jun	63.800	+0.875	63.850	63.400	30,254	9,264
Aug	61.375	+0.525	61.575	61.100	10,837	2,093
Oct	62.925	+0.525	62.975	62.550	6,982	989
Dec	63.775	+0.200	63.850	63.425	3,773	678
Feb	64.725	+0.225	64.800	64.350	2,484	366
Apr	65.700	+0.200	65.800	65.400	1,132	151
Total					55,484	18,197

■ LIVE HOGS CME (40,000lbs; cents/lbs)

Jun	44.150	+0.850	44.350	42.800	13,517	3,219
Aug	43.050	+0.300	43.100	42.400	4,817	661
Oct	40.500	+0.300	40.650	40.075	3,686	390
Dec	41.250	+0.300	41.250	40.900	3,769	277
Feb	42.075	+0.150	42.100	41.900	1,157	48
Apr	41.775	-0.050	41.775	41.500	358	7
Total					27,511	4,876

■ PORK BELLIES CME (40,000lbs; cents/lbs)

May	39.850	-0.825	40.000	39.200	2,926	731
Jul	39.425	-1.125	39.650	38.800	3,783	1,084
Aug	37.400	-0.650	37.825	37.250	772	117
Feb	48.625	-0.425	48.900	48.000	154	32
Mar	47.800	-0.800	48.000	47.800	19	1
Total					7,655	1,965

LONDON TRADED OPTIONS

Strike price $ tonne	— Calls —		— Puts —	
■ **ALUMINIUM** (99.7%) LME	Aug	Nov	Aug	Nov
1800	159	187	73	113
1900	132	163	95	137
2000	108	140	120	263
■ **COPPER** (Grade A) LME	Aug	Nov	Aug	Nov
2800	97	83	78	141
2850	74	65	104	172
2900	55	51	134	205
■ **COFFEE LCE**	Jul	Sep	Jul	Sep
3050	262	323	119	217
3100	233	298	140	242
3150	207	274	164	268
■ **COCOA LCE**	Jul	Sep	Jul	Sep
900	95	122	10	18
925	76	104	16	25
950	59	88	24	34
■ **BRENT CRUDE IPE**	Jul	Oct	Jul	Oct
1750	101	80	37	81
1800	68	62	58	113
1850	44	46	84	147

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Jun)

		+or-
Dubai	$17.55-7.65w	-0.180
Brent Blend (dated)	$18.96-9.02	-0.315
Brent Blend (Jun)	$18.54-8.58w	-0.080
W.T.I. (1pm est)	$20.13-0.15w	-0.035

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

Premium Gasoline	$198-199	
Gas Oil	$162-164	+1.5
Heavy Fuel Oil	$103-104	-3
Naphtha	$170-172	+1
Jet fuel	$173-174	
Diesel	$163-165	-2

Petroleum Argus. Tel. London (0171) 359 8792

■ OTHER

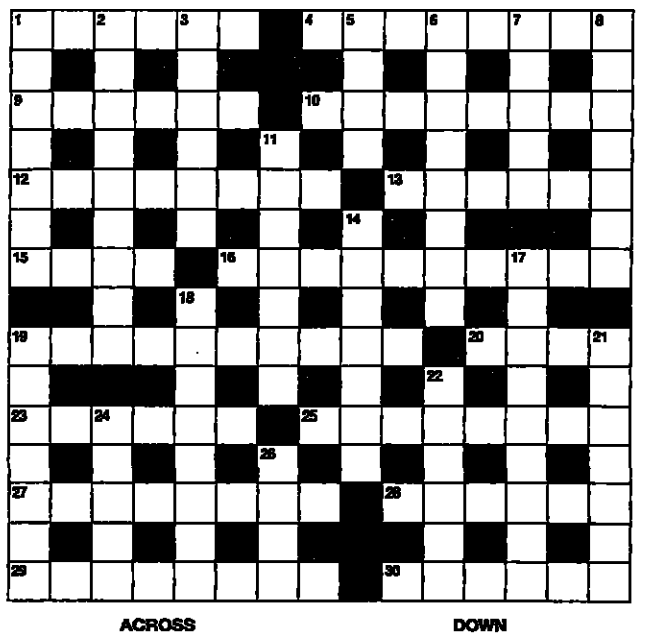
Gold (per troy oz)♣	$391.40	+0.90
Silver (per troy oz)♣	570.50c	+3.00
Platinum (per troy oz.)	$443.40	+0.15
Palladium (per troy oz.)	$165.50	+0.50
Copper (US prod.)	137.0c	+2.0
Lead (US prod.)	41.75c	
Tin (Kuala Lumpur)	14.25m	+0.15
Tin (New York)	286.50c	
Cattle (live weight)†	122.17p	-0.23*
Sheep (live weight)†♠	131.56p	-0.53*
Pigs (live weight)†	88.75p	
Lon. day sugar (raw)	$342.3	+4.4
Lon. day sugar (wte)	$364.5	+6.0
Tate & Lyle export	£325.0	+1.0
Barley (Eng. feed)	Unq.	
Maize (US No3 Yellow)	£144.0	
Wheat (US Dark North)	£165.0	
Rubber (May)♥	116.50p	-1.00
Rubber (Jun)♥	116.00p	-1.00
Rubber (KL RSS No1)	445.0m	-2.5
Coconut Oil (Phil)§	$610.0y	
Palm Oil (Malay.)§	$620.0q	+2.5
Copra (Phil)§	$413.0u	+10.0
Soyabeans (US)	£168.0	
Cotton Outlook'A' index	117.20c	+0.40
Wooltops (64s Super)	525p	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. u Apr/May w Jun. z Apr. y Jun/Jul. q May ♥ London Physical. § CIF Rotterdam. ♣ Bullion market close. ♠ Sheep (Live weight prices). * Change on week † Prices are for previous day.

JOTTER PAD

CROSSWORD

No.8,744 Set by DANTE



ACROSS

1 Give up playing chess (6)
4 Sole – yet not the only one (4-4)
9 Add salt and pepper as one's cooking (6)
10 Agency that sends the work to you at home (4,4)
12 Increase in work for the summer (8)
13 Dexterous, but for a doctor there's nothing to it (6)
15 Dash of French? (4)
16 Be like others and keep up with a court action (6,4)
19 Chasing the sun? (3,7)
20 Retainer for an author (4)
23 Fish from a ship in the Wear, perhaps (6)
25 One who falls for a star actor (8)
27 Set back after an instrument breaks (8)
28 Nanny makes a tea-time spread (6)
29 Submitted and faced the wall (8)
30 What a boy does with a toy (6)

DOWN

1 In the newborn, toes are pinkish (7)
2 Get quickly to your feet, but don't make a move (5,4)
3 Does the writing for another Ibsen play (6)
5 Kitty upset by aerobatic manoeuvre (4)
6 Record making swallow (4,4)
7 I pick up key to look round someone's house (5)
8 Where one lives a little in Panama, for example (7)
11 He plays by himself (7)
14 Gaelic cheers (7)
17 The final demand in dispute (9)
18 Defence raised when things get too hot (8)
19 Nevertheless, a vow here gets broken (7)
21 Use rent from land-holdings (7)
22 What is needed is no huge change (6)
24 A cupful of fruit (5)
26 He's on about being present (4)

Solution to Saturday's prize puzzle on Saturday May 6.
Solution to yesterday's prize puzzle on Monday May 8.

Treasuries lower ahead of G7 meeting

By Lisa Bransten in New York and Conner Middelmann in London

US Treasury prices edged lower in quiet trading yesterday morning as investors looked to today's meeting of the Group of Seven for signals on the strength of the dollar and prepared for new supply of bonds this week.

Near midday, the benchmark 30-year Treasury was down 1/32 at 103 11/32 to yield 7.331 per cent and the two-year note was 1/32 lower at 100 3/32, yielding 6.447 per cent.

Bond prices tracked the dollar in early trading. Even though the dollar was stable to higher against the Japanese yen, bonds moved into negative territory in the early morning as the US currency fell against the D-Mark.

By late morning, however, both the long and the short ends of the market pushed up close to their levels of late Friday as the dollar gained against the D-Mark. Near noon, the dollar was higher against both currencies, changing hands at Y83.28 and DM1.3768 against Y82.70 and DM1.3694 late Friday.

There was some speculation that finance ministers and central bankers from the G7 countries might decide on a co-ordinated move to bolster the value of the dollar, which has lost more than 15 per cent of its value against the yen since the start of the year.

Investors were also mindful of auctions today of $17.75bn worth of two-year notes and tomorrow of $11.5bn of five-year notes.

■ European bond markets were range-bound in moderate dealings yesterday as participants awaited the outcome of today's G7 meeting in Washington.

"If nothing concrete comes out of the meeting, it will spark another leg down for the dollar," predicted Mr David Brown, chief European economist at Bear Stearns.

"The flip-side of more dollar risk means more D-Mark cross-rate strength in Europe and that spells more trouble for European bonds."

GOVERNMENT BONDS

With investors in France and Italy digesting Sunday's election results and Swedish markets focusing on today's budget presentation, "the safest ploy for investors is to stick to safe havens Germany and Holland ... until the worst has blown over," he recommends.

■ French bonds dipped at the open on the unexpected victory of Socialist candidate Mr Lionel Jospin in the first round of the presidential election.

However, the market recouped its early losses and closed higher, supported by a stronger franc and hopes that his opponent in the final round, Mr Jacques Chirac, would win the presidency.

Still, dealers noted that the rally took place on fairly thin volume and said that many investors remained sidelined, worried about currency volatility following the G7 meeting and political uncertainty in the run-up to the final round of polling on May 7.

Matif's June Notionnel futures contract rose 0.26 to 113.22. The French 10-year yield spread over bunds fluctuated wildly, from 85 basis points at the open, as low as 70 points in the afternoon and closing at 75 points.

■ German bunds had a quiet session, closing slightly higher on the back of firmer French bonds and US Treasuries. However, neither mildly encouraging regional CPI data nor the latest M3 data had much market impact, leaving bunds to trade on moderate volume in a narrow range.

The June bund futures contract on Liffe ended at 92.70, up 0.17 from Friday.

■ Italian bonds ended slightly weaker after Sunday's regional elections yielded no clear winner. Although early results indicated that the danger of a snap general election had abated, sentiment remains negative, depressed in part by Friday's bearish inflation data. The BTP future on Liffe ended at 93.50, down 0.23.

■ UK gilts ended mixed, with the shorter maturities coming under slight pressure ahead of the G7 meeting, tomorrow's auction of £2bn of 8 per cent gilts due 2000, local elections on May 4, and the May 5 monetary meeting. The long gilt future on Liffe rose by 1/32 to 104⅛.

Exim Bank of Japan keeps DM in the spotlight

By Antonia Sharpe

The D-Mark sector of the eurobond market remained in the spotlight yesterday as Exim Bank of Japan raised DM700m through an offering of five-year eurobonds.

Some syndicate managers thought that the deal was a little too large, considering the large amount of unsold five-year D-Mark paper in the primary market.

However, they were relieved that the widely-expected offering had been priced to yield 20 basis points over German government medium-term notes rather than the original target of 18 to 19 basis points.

Overly-tight pricing would have made the deal difficult to sell, in spite of the borrower's triple-A rating and rarity value.

In the event, lead manager Paribas and members of the syndicate reported healthy demand from Asia, though some syndicate members said interest from Europe was rather slow. Central banks featured among buyers.

Paribas, which underwrote 64 per cent of the issue, said it had placed 85 per cent of its position and that it had not experienced any flow-back of bonds.

The bonds were priced slightly above par so the 6½ per cent coupon would attract retail investors.

When the syndicate broke, good support by the lead manager ensured that the spread remained stable. Exim is believed to have swapped the proceeds of the deal into floating-rate yen.

The smooth launch of Exim's deal bodes well for the forthcoming issue for Belgium. Banks were bidding for the mandate yesterday and the offering, which could raise as much as DM1bn, is expected to emerge tomorrow.

Belgium is believed to be looking at a maturity of seven to 10 years and syndicate managers believe the yield spread over German government bonds will be in the high 20s.

In the eurosterling market, Ford Credit Europe raised £50m by re-opening a £100m offering of five-year floating-rate notes which it launched in February.

The discounted margin on the new tranche was 19 basis points over three-month Libor, slightly tighter than the spread of 21 basis points on the outstanding notes in the secondary market.

Lead manager NatWest said the recent upgrading of Ford's credit rating had allowed it to knock two basis points off its all-in cost of funding.

Most of the paper was sold into the UK, NatWest said, though there was some overseas interest.

INTERNATIONAL BONDS

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees %	Spread bp	Book runner
US DOLLARS							
Republic of Turkey(a)‡	255	(a1)	100.00	(a)	3.45	-	(a2)
Monte dei Paschi di Sienna(b)‡	200	(b1)	99.89R	Dec.1999	0.20R	-	Swiss Bank Corp.
STERLING							
Ford Credit Europe(c)‡	50	(c1)	99.84R	Feb.2000	0.125R	-	NatWest Capital Markets
D-MARKS							
Export Import Bank of Japan	700	6.50	100.08R	Jul.2000	0.25R	+20(7%-00)	Banque Paribas Deutschland

Final terms, non-callable unless stated. Yield spread (over relevant government bond) at launch supplied by lead manager. ‡ Floating-rate note. R: fixed re-offer price; fees shown at re-offer level. a) Divided into $85m 1yr, 2yr and 3yr tranches. a1) 6-mth Libor +175bp. a2) Joint leads: Chase, Chemical, Citibank, Goldman, JP Morgan, Morgan Stanley, Nomura, Turkiye Is Bankasi, Turkiye Vakiflar Bankasi Tao, UBS and Yamaichi. b) Fungible with $200m. b1) 3-mth Libor +⅛%. Short 1st coupon. c) Fungible with £100m. Callable on coupon dates from Feb.99 at par. c1) 3-mth Libor +15bp.

Nomura France renounces primary dealership

By Graham Bowley

Banque Nomura France, the French arm of Nomura Securities, the Japanese brokerage house, yesterday renounced its status as a primary dealer in French government bonds.

Nomura said difficult conditions in world financial markets, which caused the group to suffer heavy losses in the year to March 31, has forced it to concentrate its resources on areas where it has a "strong competitive advantage".

These include the eurobond market, Japanese equities, asset securitisation, asset trading and cross-border corporate finance transactions.

Mr Daisuke Takeuchi, president of Banque Nomura France, said: "The very difficult market environment has meant a restructuring of the operation in Europe is necessary." Nomura can no longer maintain an adequate commitment to its activity as a market-maker in French treasury securities, he added.

Nomura will maintain a smaller trading team in French government bonds but will no longer be a primary dealer (SVT). Its withdrawal cuts the number of SVTs to 18.

The move will lead to redundancies in Nomura's 60-strong bond team, although no exact figure has yet been decided because of possible relocations within the company. Nomura denied rumours that it was intending to stop trading in UK government bonds but said that every business area was being looked at.

A review of Nomura's European operations has already resulted in staff cuts throughout its 15 offices. Last week, Nomura laid off 10 bond salesmen and emerging markets traders in London.

Madrid plans bond strips to boost demand

Spain hopes that stripped Treasury paper will tempt long-term investors, reports Richard Lapper in Madrid

The Spanish government is planning to introduce bond strips as part of efforts to increase local institutional demand for its longer-term Treasury paper.

Strips, which are created when the principal and coupon of a bond are bought and sold separately, are planned for 15-year bonds and possibly also for five and 10-year bonds.

The plan, however, requires changes to the tax treatment of bonds and will most probably be launched next year, according to treasury officials.

The instruments are widely traded in a number of other markets, including the US and France. There has also been speculation recently that the UK authorities might seek to offer strips on gilts.

The zero-coupon bonds created by stripping are attractive for investors such as pension funds and insurance companies which have defined long-term liabilities and would prefer more predictable returns than those available from conventional investments.

The Spanish government is also hoping that the tax changes will tempt local institutions to move towards the longer end of the yield curve. Ten-year bonds were introduced in Spain only in 1990 and many investors still prefer shorter-term instruments.

Although the average life of the government's peseta debt increased to 3.05 years in 1993 from 1.25 years in 1989, it fell to 2.97 years in 1994 and remains shorter than in many other markets.

The tax change is necessary because withholding tax (currently charged by the Spanish authorities at a rate of 25 per cent) cannot be charged on zero-coupons since no cash payments are received until the bond matures.

The alternative under consideration would give responsibility to the holder of the bond to declare tax on imputed earnings.

There are hopes that such a system will encourage local pension and investment funds to buy longer-term paper. Although these funds are either exempt from tax or – in the case of investment funds – pay at a rate of 1 per cent, the funds face delays of up to 18 months in obtaining rebated withholding tax.

The authorities, meanwhile, are playing down the decline in interest in Spanish debt among foreign investors. Foreigners have reduced their holdings of peseta denominated debt from 15.53 per cent in 1993, to 11.49 per cent at the end of 1994, and to 7.55 per cent last month, according to treasury figures.

Even so, some local analysts contend that the extra pressure on domestic investors could prove damaging. Spanish base rates have already been increased twice this year, rising by 115 basis points.

Longer-term interest rates have also risen and the yield spread of Spanish 10-year bonds over bunds has widened to around 500 basis points, with sentiment affected by the 7 per cent devaluation of the peseta in March and worries about political stability in the wake of a succession of corruption scandals.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		9.000	09/04	94.9100	–0.060	9.84	9.74	10.13
Austria		7.500	01/05	100.7000	–	7.39	7.38	7.63
Belgium		6.500	03/05	90.5100	+0.010	7.91	7.88	8.31
Canada *		9.000	12/04	102.4500	+0.100	8.62	8.66	8.55
Denmark		7.000	12/04	88.9800	+0.100	8.73	8.76	9.18
France	BTAN	8.000	05/98	101.0900	+0.050	7.59	7.60	7.27
	OAT	7.500	04/05	98.0100	+0.280	7.78	7.75	8.20
Germany Bund		7.375	01/05	101.9000	–0.070	7.09	7.06	7.37
Ireland		6.250	10/04	83.7000	–0.050	8.83	8.82	8.81
Italy		9.500	01/05	80.5500	–0.330	13.10†	12.93	13.11
Japan	No 119	4.800	06/99	108.8290	+0.090	2.59	2.79	3.47
	No 174	4.600	09/04	108.7730	+0.360	3.37	3.35	4.05
Netherlands		7.750	03/05	104.0000	+0.120	7.16	7.16	7.53
Portugal		11.875	02/05	97.6500	+0.100	12.28	12.24	12.00
Spain		10.000	02/05	88.3600	+0.090	12.04	12.11	12.31
Sweden		8.000	02/05	68.3160	+0.010	11.57	11.32	11.20
UK Gilts		6.000	08/99	92–05	–3/32	8.21	8.13	8.60
		8.500	12/05	101–02	–	8.35	8.32	8.67
		9.000	10/08	105–06	–1/32	8.35	8.33	8.65
US Treasury *		7.500	02/05	103–11	–1/32	7.02	7.02	7.20
		7.625	02/25	103–15	+6/32	7.34	7.33	7.46
ECU (French Govt)		6.000	04/04	86.7100	+0.160	8.14	8.16	8.71

London closing, *New York mid-day. Yields: Local market standard.
† Gross (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. Source: MMS International

US INTEREST RATES

Lunchtime		Treasury Bills and Bond Yields			
		One month	5.85	Two year	6.46
Prime rate	9	Two month	5.52	Three year	6.58
Broker loan rate	6½	Three month	5.80	Five year	6.80
Fed.funds	5 15/16	Six month	6.02	10-year	7.02
Fed.funds at intervention	5 3/4	One year	6.14	30-year	7.35

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF) FFr500,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	112.64	113.22	+0.26	113.28	112.56	106,701	113,995
Sep	112.20	112.78	+0.24	112.78	112.18	1,257	7,863
Dec	111.94	112.52	+0.24	111.94	111.94	2	963

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	CALLS May	Jun	Sep	PUTS May	Jun	Sep
111	-	-	-	0.05	0.18	1.00
112	1.22	1.53	2.03	0.04	0.36	1.30
113	0.45	0.87	1.45	0.22	0.67	1.75
114	0.08	0.43	1.03	-	-	-
115	0.02	0.15	-	-	-	-

Est. vol. total, Calls 22,719 Puts 32,526 . Previous day's open int., Calls 157,355 Puts 212,045.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	92.65	92.70	+0.17	92.78	92.24	99491	173480
Sep	92.10	92.15	+0.19	92.10	91.76	27	5316

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	CALLS Jun	Jul	Aug	Sep	PUTS Jun	Jul	Aug	Sep
9250	0.68	0.59	0.75	0.90	0.43	0.94	1.10	1.25
9300	0.38	0.40	0.55	0.69	0.68	1.25	1.40	1.54
9350	0.22	0.26	0.38	0.52	1.02	1.61	1.73	1.87

Est. vol. total, Calls 4905 Puts 7602. Previous day's open int., Calls 148798 Puts 126513

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	93.60	93.50	-0.23	93.73	93.25	23768	45510
Sep	92.65	92.85	-0.23	92.65	92.65	2	139

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	CALLS Jun	Sep	PUTS Jun	Sep
9350	1.06	1.94	1.06	2.59
9400	0.84	1.73	1.34	2.88
9450	0.61	1.53	1.61	3.18

Est. vol. total, Calls 2372 Puts 625. Previous day's open int., Calls 43982 Puts 36735

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	82.61	82.90	+0.09	82.92	82.46	27,794	46,500
Sep	82.53	82.10	+0.43	82.53	82.53	4	5

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	104-05	104-04	+0-01	104-08	103-23	25336	84426
Sep	-	103-24	+0-01	-	-	0	777

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	CALLS Jun	Jul	Aug	Sep	PUTS Jun	Jul	Aug	Sep
104	0-57	1-04	1-22	1-37	0-49	1-20	1-38	1-53
105	0-28	0-43	0-60	1-10	1-20	1-59	2-12	2-26
106	0-11	0-25	0-40	0-52	2-03	2-41	2-56	3-04

Est. vol. total, Calls 3811 Puts 3277. Previous day's open int., Calls 28135 Puts 33806

Ecu

■ ECU BOND FUTURES (MATIF) ECU100,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Jun	83.46	83.82	+0.18	83.82	83.40	2,157	8,505

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Jun	105-07	105-03	-0-06	105-08	104-31	150,828	361,593
Sep	104-25	104-20	-0-06	104-25	104-18	1,267	19,856
Dec	104-05	104-06	-0-07	104-08	104-04	22	2,032

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Jun	116.81	-	-	116.81	116.58	2643	0
Sep	115.89	-	-	115.89	115.70	545	0

* LIFFE futures also traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

Price Indices UK Gilts	Mon Apr 24	Day's change %	Fri Apr 21	Accrued interest	xd adj. ytd
1 Up to 5 years (23)	119.22	–0.11	119.35	1.08	4.27
2 5-15 years (21)	141.69	–0.09	141.82	2.05	4.13
3 Over 15 years (9)	158.56	–0.08	158.69	1.98	4.74
4 Irredeemables (6)	183.56	–0.24	184.00	4.38	1.47
5 All stocks (59)	138.08	–0.09	138.19	1.89	4.31
Index-linked					
6 Up to 5 years (2)	192.05	–0.01	192.08	0.31	2.57
7 Over 5 years (11)	178.42	+0.05	178.33	0.70	1.73
8 All stocks (13)	178.92	+0.05	178.84	0.66	1.81

	Low coupon yield Apr 24	Apr 21	Yr. ago	Medium coupon yield Apr 24	Apr 21	Yr. ago	High coupon yield Apr 24	Apr 21	Yr. ago
5 yrs	8.28	8.23	7.64	8.33	8.29	7.82	8.45	8.41	7.93
15 yrs	8.30	8.29	7.84	8.37	8.36	7.97	8.59	8.58	8.23
20 yrs	8.29	8.28	7.84	8.37	8.36	7.97	8.51	8.51	8.14
Irred.†	8.34	8.32	7.98						

	Inflation 5% Apr 24	Apr 21	Yr. ago	Inflation 10% Apr 24	Apr 21	Yr. ago
Up to 5 yrs	3.32	3.30	3.41	1.81	1.78	2.43
Over 5 yrs	3.79	3.78	3.47	3.59	3.59	3.26

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

FT FIXED INTEREST INDICES

	Apr 24	Apr 21	Apr 20	Apr 19	Apr 18	Yr ago	High*	Low*
Govt. Secs. (UK)	92.07	92.41	92.11	92.12	92.33	95.73	92.41	90.22
Fixed Interest	111.25	111.12	111.00	111.26	111.33	115.69	111.33	108.77

* for 1995. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed Interest high since compilation: 133.87 (21/1/94) , low 50.53 (3/1/75) . Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974.

GILT EDGED ACTIVITY INDICES

	Apr 21	Apr 20	Apr 19	Apr 18	Apr 13
Gilt Edged bargains	80.0	80.2	88.6	78.2	72.6
5-day average	79.5	79.1	79.4	78.5	80.0

UK GILTS PRICES

Notes	Yield Int	Red	Price £	+ or –	1995 High	Low
Shorts" (Lives up to Five Years)						
Exch 10¼pc 1995	10.15	6.53	100 11/16	–1/16	101⅞	100 21/32
Treas 12¾pc 1995‡‡	12.34	6.61	103 11/32xd	–⅛	104⅞	103 11/32
14pc 1996	13.32	6.91	105 3/32	–1/32	106⅞	105 3/32
15¼pc 1996‡‡	14.14	7.08	107 29/32xd	–3/32	109⅝	107 25/32
Exch 13¼pc 1996‡‡	12.48	7.11	106 5/32xd	—	107¼	106 3/32
Conversion 10pc 1996	9.65	7.46	103⅝xd	–1/32	103 27/32	103 3/32
Treas 13¼pc 1997‡‡	12.15	7.61	109 1/16	–1/16	109 3/16	108 21/32
Exch 10½pc 1997	10.02	7.64	104¾	–⅛	105 21/32	104 1/16
Treas Cnv 7pc 1997‡‡	7.10	7.69	98 7/16	–1/16	98 29/32	97⅛
Treas 8¾pc 1997‡‡	8.56	7.81	101 13/32	–1/16	102	100 1/16
Exch 15pc 1997	12.95	7.92	115 27/32xd	–3/32	116 3/32	114 13/16
9¾pc 1998	9.36	8.01	104⅛	–⅛	105 13/32	102¾
Treas 7¼pc 1998‡‡	7.40	8.03	97 13/16	–⅛	99⅛	96 3/16
Treas 6¾pc 1995-98‡‡	6.99	8.04	96 7/32xd	–⅛	96 31/32	94 13/16
Treas 15½pc '98‡‡	12.73	8.07	121¾	–3/16	122 5/16	120⅝
Exch 12pc 1998	10.76	8.20	111 15/32xd	–3/16	111 29/32	109 23/32
Treas 9½pc 1999‡‡	9.13	8.20	104 1/16	–3/16	104 7/16	100⅞
Treas Flg Rate 1999	-	-	100¼	—	100¼	99 31/32
Exch 12¼pc 1999	10.83	8.26	113 1/16	–3/16	113 5/16	111 7/16
Treas 10½pc 1999	9.76	8.26	107 15/32xd	–3/16	107 17/32	105 15/32
Treas 6pc 1999‡‡	6.52	8.20	92 1/16	–3/16	92 13/16	89 11/16
Conversion 10¼pc 1999	9.57	8.33	107 3/32xd	–3/16	107 13/16	105⅛
Conv 9pc 2000‡‡	8.76	8.26	102 29/32	–3/16	103 1/32	100 23/32
Five to Fifteen Years						
Treas 13pc 2000	10.92	8.40	119 1/32	–3/16	119⅜	117
8pc 2000‡‡	8.09	8.24	98 27/32	–3/16	99 1/16	96 3/16
10pc 2001	9.32	8.37	107 5/16	–3/16	107 23/32	104 29/32
14pc 1998-1	12.12	8.19	115 19/32xd	–3/16	115 29/32	114 3/16
7pc 2001‡‡	7.50	8.55	93 5/16xd	–3/16	93⅝	90 21/32
9¾pc 2002	9.11	8.43	107	–1/16	107¼	103 21/32
8pc 2003‡‡	8.20	8.66	97 9/16	–3/16	98 13/16	94⅝
10pc 2003	9.18	8.45	108 31/32	–⅛	109⅜	105⅞
Treas 11½pc 2001-4	10.15	8.55	113 5/16	–3/16	113 29/32	110 21/32
Funding 3½pc 1999-4	4.59	7.06	76¼	—	78½	73
Conversion 9½pc 2004	8.90	8.44	106 25/32xd	–3/16	107 7/16	103 1/16
Treas 6¾pc 2004‡‡	7.54	8.35	89 15/32xd	–3/16	90 1/16	86 1/16
Conv 9½pc 2005	8.87	8.42	107 1/16	–3/16	107 13/16	103⅝
8½pc 2005‡‡	8.42	8.33	100 31/32	–3/16	101¼	97⅝
Treas 12½pc 2003-5	10.17	8.63	122 15/32xd	–¼	123⅞	119 13/16
7¾pc 2006‡‡	8.12	8.33	95½	–¼	96⅛	92¼
8pc 2002-6‡‡	8.23	8.37	97 3/16	–⅛	97 13/16	93¾
Treas 11¾pc 2003-7	10.03	8.66	117 3/16	–3/16	117 11/16	113 21/32
Treas 8½pc 2007‡‡	8.41	8.35	101 1/16	–⅛	101⅞	97 15/16
13½pc 2004-8	10.40	8.62	129 25/32	–3/16	130¼	126 1/16
Treas 9pc 2008‡‡	8.56	8.34	105⅛	–⅛	105 13/16	101⅝
Treas 8pc 2009	8.25	8.34	97	–1/16	97 25/32	94
Over Fifteen Years						
Treas 6 1/4pc 2010	7.59	8.28	82 5/16xd	–3/16	82 5/16	78 13/16
Conv 9pc Ln 2011‡‡	8.53	8.35	105 7/16	–3/16	105 31/32	101 13/16
Treas 9pc 2012‡‡	8.50	8.33	105⅞	–3/16	106 5/16	102 3/16
Treas 5½pc 2008-12‡‡	7.26	8.12	75 25/32	–3/16	75 31/32	72¼
Treas 8pc 2013‡‡	8.24	8.29	97 1/16	–3/16	97 13/16	93 13/16
7¾pc 2012-15‡‡	8.20	8.30	94½	–3/16	94⅞	91 13/16
8pc 2015	8.23	8.27	97¼	–1/16	97 7/16	93 13/16
Treas 8¾pc 2017‡‡	8.36	8.28	104⅝	–⅛	105 1/16	100 31/32
Exch 12pc 2013-17	9.07	8.49	132 5/16	–3/16	132 13/16	127 7/16
Undated						
Consols 4pc	8.53	-	46⅞	–1/16	47 5/16	45¼
War Loan 3½pc‡‡	8.30	-	42 3/16	–⅛	42 13/16	40 13/16
Conv 3½pc '61 Aft	5.86	-	59¾	—	59¾	57 13/16
Treas 3pc '66 Aft	8.42	-	35⅝	—	35 13/16	34¼
Consols 2½pc	8.25	-	30 5/16	–⅛	30 5/16	28 13/16
Treas. 2½pc	8.39	-	29 13/16	+1/16	30⅛	28¾

Notes		Yield (1)	(2)	Price £	+ or –	1995 High	Low
Index-Linked	(b)						
2pc '96	(67.9)	1.29	3.20	207 13/16	–¼	208 3/16	201 1/16
4⅝pc '98‡‡	(135.6)	2.47	3.45	109 5/16xd	—	109¼	106 3/16
2½pc '01	(78.3)	3.29	3.76	170	+1/16	170	165 13/16
2½pc '03	(78.8)	3.40	3.77	166 5/16xd	+1/16	166 5/16	161 11/16
4⅜pc '04‡‡	(135.6)	3.42	3.78	110 13/16	—	110 13/16	106 5/16
2pc '06	(69.5)	3.49	3.76	173¼	+1/16	173¼	168 7/16
2½pc '09	(78.8)	3.54	3.77	158 11/32xd	+1/16	158 11/16	152 3/16
2½pc '11	(74.6)	3.57	3.78	162 5/16	+1/16	162 5/16	157 5/16
2½pc '13	(89.2)	3.59	3.78	133 13/16	+1/16	133 13/16	129 5/16
2½pc '16	(81.6)	3.62	3.79	142 3/16	+1/16	142 3/16	137⅝
2½pc '20	(83.0)	3.65	3.80	136 13/16	+1/16	136 13/16	131 13/16
2½pc '24‡‡	(97.7)	3.64	3.78	113 13/16	+1/16	113 13/16	109¼
4⅛pc '30‡‡	(135.1)	3.66	3.80	112 13/16	+1/16	112 13/16	108 5/16

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in February 1987. Conversion factor 3.945. RPI for August 1994: 144.7 and for March 1995: 147.5.

Other Fixed Interest

Notes	Yield Int	Red	Price £	+ or –	1995 High	Low
Asian Dev 10¼pc 2009	9.13	8.70	112 3/16	–3/16	112 7/16	108 11/16
B'ham 11½pc 2012	9.58	9.18	120	+¾	120	116½
Ireland Cap 8½pc '10	8.46	–	100½	–½	101	96¾
9pc Cap 1996	8.74	–	103	–⅛	103½	100
13pc '97-2	11.85	–	109¾	—	110½	107
Hydro Quebec 15pc 2011	10.47	9.84	143 3/16	–1/16	154 13/16	139 13/16
Leeds 13½pc 2006	10.38	–	130	+½	130	126½
Liverpool 3½pc Irred	9.09	–	38½	–½	39	36
LCC 3pc '20 Aft	9.02	–	33¼	+¼	33¼	31½
Manchester 11½pc 2007	9.83	9.18	117	+1¼	117	113½
Met. Wtr. 3pc 'B'	4.17	7.78	72	+1½	72	69¼
N'wide Anglia 3⅞pc 2021	–	4.51	135	—	135	130½
4⅛pc IL 2024	–	4.46	130	—	130	123⅞
Utd Mex States 16½pc 2008	14.54	–	113½	—	139	113½

● 'Tap' stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds per £100 nominal of stock.

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 7:10 pm on April 24

	Issued	Bid	Offer	Chg.	Yield
U.S. DOLLAR STRAIGHTS					
Abbey Natl Treasury 6½ 03	1000	93½	93¾		7.61
African Dev Bk 7⅜ 23	500	91⅞	92¼	+¼	8.12
Alberta Province 7⅝ 98	1000	101¾	102	–⅛	7.03
Austria 8½ 00	400	105½	105⅞	–⅛	7.08
Baden-Wuert L-Fin 8⅛ 00	1000	103¾	104	–⅛	7.15
Bank Ned Gemeenten 7 99	1000	100¼	100½	–⅛	6.92
Bayer Vereinsbk 8⅛ 00	500	103¼	103⅝	–⅛	7.15
Belgium 5½ 03	1000	87⅜	87¾	–⅛	7.55
BFCE 7¼ 97	150	101⅝	102		6.78
British Columbia 7¾ 02	500	101⅞	102⅛		7.40
British Gas 0 21	1500	12¼	12⅝	–⅛	8.24
Canada 6½ 97	2000	99¼	99½		6.80
Cheung Kong Fin 5½ 98	500	91⅛	91½	+⅛	8.57
China 6½ 04	1000	89½	90¼		8.36
Council Europe 8 98	100	101⅜	101⅝		6.80
Credit Foncier 9½ 99	300	107⅝	107⅞		7.14
Denmark 5¾ 98	1000	97⅜	97⅝		6.79
East Japan Railway 6⅝ 04	600	93¾	94		7.61
ECSC 8¼ 98	193	101⅞	102⅜	–⅛	6.93
EEC 8¼ 96	100	101⅝	101⅞		6.71
EIB 7¾ 96	250	101¼	101⅝		6.60
EIB 9¼ 97	1000	105½	105¾		6.80
Elec de France 9 98	200	105⅛	105½		6.97
Ex-Im Bank Japan 8 02	500	103⅜	103¾	–⅛	7.37
Export Dev Corp 9½ 98	150	106⅞	107¼	–¼	7.08
Federal Natl Mort 7.40 04	1500	100¼	100⅝		7.42
Finland 6¾ 97	3000	99⅝	100	–⅛	6.97
Ford Motor Credit 6¼ 98	1500	96	96¼		7.16
Gen Elec Capital 9⅜ 96	300	102⅝	103	–⅛	6.83
Ind Bk Japan Fin 7⅞ 97	200	101	101½	–⅛	7.31
Inter Amer Dev 7⅝ 98	200	101	101¼		6.79
Intl Finance 5¼ 99	500	94⅜	94⅞	–⅛	6.94
Italy 6⅞ 23	3500	81¾	82⅛	+⅛	8.79
Japan Dev Bk 8⅜ 01	500	105⅛	105⅜		7.25
Korea Elec Power 6⅜ 03	1350	90¼	90½	+⅛	8.12
LTCB Fin 8 97	200	101¼	101¾		7.17
Matsushita Elec 7¼ 02	1000	99⅛	99½		7.54
Norway 7¼ 97	1000	101	101¼		6.69
Ontario 7⅜ 03	3000	99	99¼		7.69
Oster Kontrollbank 8½ 01	200	106¼	106½	–⅛	7.15
Petro-Canada 7¼ 96	200	100⅜	100⅝	–⅛	7.11
Portugal 5¾ 03	1000	89⅜	89⅝		7.61
Quebec Hydro 9¾ 98	150	106¾	107⅛	–⅛	7.42
Quebec Prov 9 98	200	104⅛	104⅝	–⅛	7.39
Sainsbury 9¼ 99	150	102⅛	103⅛	–⅛	6.99
SAS 10 99	200	106¼	107½		7.88
SNCF 9½ 98	150	107	107⅜	–⅛	6.89
Spain 6½ 99	1500	97½	97¾	–⅛	7.16
State Bk NSW 8½ 98	200	101⅝	101⅞	–⅛	6.98
Sweden 6½ 03	2000	94¼	94½		7.62
Tokyo Elec Power 6⅛ 03	1000	91½	91⅞		7.54
Tokyo Metropolis 8¼ 96	200	101⅞	102¼	–⅛	6.87
Toyota Motor 5⅝ 98	1500	97	97⅜	–⅛	6.79
United Kingdom 7¼ 02	3000	100⅛	100¼		7.22
World Bank 8⅜ 99	1500	105½	105¾	–⅛	7.03
World Bank 8¾ 97	1500	103¾	103⅞		6.87
United Kingdom 7⅛ 97	5500	103⅛	103¼		5.73
Volkswagen Intl Fin 7 03	1000	97	97⅜	–⅛	7.50
World Bank 0 15	2000	22⅛	22⅝		7.58
World Bank 5⅞ 03	3000	91½	91⅝		7.23
World Bank 8¾ 00	1250	110¾	111⅛	–½	6.18
DEUTSCHE MARK STRAIGHTS					
Austria 6½ 24	2000	84⅛	84¾		7.88
Credit Foncier 7¼ 03	2000	99⅞	100⅛	+⅛	7.27
Denmark 6⅛ 98	2000	100½	100¾		5.94
Depfa Finance 6⅞ 03	1500	94¼	94⅝	+⅛	7.30
Deutsche Bk Fin 7½ 03	2000	100⅞	101⅜	–⅛	7.34
EEC 6½ 00	2800	100½	100¾	+⅛	6.37
EIB 6¼ 00	1500	99½	100⅛	–⅛	6.37
Finland 7½ 00	3000	103¼	103½		6.67
Italy 7¼ 98	5000	102⅛	102½		6.28
LKB Baden-Wuert 6½ 08	2250	91⅝	92	+⅛	7.51
Norway 6⅛ 98	1500	100½	100⅝		5.94
Ontario 6¼ 04	1500	92	92¼		7.53
Spain 7¼ 03	4000	99⅝	99⅞	+⅛	7.31
Sweden 8 97	2500	104⅜	104⅝		6.06
SWISS FRANC STRAIGHTS					
Asian Dev Bank 6 10	100	104½	105½		5.56
Austria 4½ 00	1000	100½	100⅞		4.36
Council Europe 4¾ 98	250	101½	102		4.17
Denmark 4¼ 99	1000	100⅛	100¼		4.21
EIB 6¾ 04	300	109			5.50
Elec de France 7¼ 06	100	111½	112		5.78
Finland 7¼ 99	300	109¾	110¼		4.76
Hyundai Motor Fin 8½ 97	100	107	108		5.27
Iceland 7⅞ 00	100	109½	110½		5.49
Kobe 6⅞ 01	240	107¼	107¾		4.99
Ontario 6¼ 03	400	105¼	105½		5.40
Quebec Hydro 5 08	100	91½	92		5.96
SNCF 7 04	450	112	112¼		5.34
World Bank 5 03	150	101			4.85
World Bank 7 01	600	110	110½		4.99
YEN STRAIGHTS					
Belgium 5 99	75000	109⅝	109⅞		2.76
EIB 6⅝ 00	100000	117⅝	117⅞		2.73
Ex-Im Bank Japan 4⅜ 03	105000	107½	107¾		3.34
Inter Amer Dev 7¼ 00	30000	120¼	120½		2.89
Italy 3½ 01	300000	99¼	99½		3.67
Japan Dev Bk 5 99	100000	110¼	110⅜		2.52
Japan Dev Bk 6½ 01	120000	119⅜	119½		3.11
Nippon Tel Tel 5⅞ 96	50000	105¾	106		1.78
Norway 5⅜ 97	150000	106⅜	106⅝	–⅛	1.76
SNCF 6¼ 00	30000	118	118¼		2.74
Spain 5¼ 02	125000	114⅜	114⅝		3.38
Sweden 4⅝ 98	150000	106¼	106½		2.27
World Bank 5¼ 02	250000	112¼	112¾	+⅛	3.20
OTHER STRAIGHTS					
Genfinance Lux 9⅛ 99 LFr	1000	105	106		7.62
IKB Deut Industbk 8¼ 03 LFr	3000	101	102		8.31
World Bank 8 96 LFr	1000	101¼	101⅞	+¼	6.68
ABN Amro 6⅜ 00 Fl	1000	100⅜	100⅝		6.53
Bank Ned Gemeenten 7 03 Fl	1500	97⅞	98½	+⅛	7.36
Bell Canada 10⅝ 99 C$	150	106⅝	107⅛		8.66
British Columbia 10 96 C$	500	101⅞	102⅛		8.13
Canada Mort & Hous 8¼ 99 C$	1000	100½	100⅞		8.28
EIB 10⅛ 98 C$	130	104¾	105¼	–⅛	8.19
Elec de France 9¾ 99 C$	275	104⅝	105		8.42
Gen Elec Capital 10 96 C$	300	101¾	102¼		8.27
KfW Int Fin 10 01 C$	400	109	109½		8.64
Nippon Tel Tel 10¼ 99 C$	200	105¼	105¾		8.49
Ontario 8 03 C$	1500	95⅞	96⅛		8.92
Ontario Hydro 10⅞ 99 C$	500	107½	107⅞		8.54
Oster Kontrollbank 10¼ 99 C$	150	106⅛	106¾	–⅛	8.45
Quebec Prov 10½ 98 C$	200	105¼	105⅝		8.74
Council Europe 9 01 Ecu	1100	104	104¼	+⅛	8.17
Credit Foncier 8⅜ 04 Ecu	1000	99½	99⅞	+⅛	8.45
Credit Lyonnais 9 95 Ecu	125	101⅜	102⅛		7.57
EIB 10 97 Ecu	1125	104½	104¾		7.22
Ferro del Stat 10⅛ 98 Ecu	500	105	105½		7.97
Italy 10⅝ 00 Ecu	1000	108⅞	109⅜	+⅛	8.46
Spain 9 96 Ecu	1000	102	102⅛	+⅛	6.99
United Kingdom 9⅛ 01 Ecu	2750	105	105⅛	+⅛	8.01
AIDC 10 99 A$	100	101	101½		9.68
Comm Bk Australia 13¾ 99 A$	100	113	113½	–⅛	9.92
EIB 7¾ 99 A$	350	95¾	96¼	+⅛	9.17
NSW Treasury Zero 0 20 A$	1000	10⅛	11⅛	+1⅛	9.11
R & I Bank 7¾ 03 A$	125	89⅛	89½		10.36
State Bk NSW 9 02 A$	300	94⅛	94½		10.15
Sth Aust Govt Fin 9 02 A$	150	93½	93⅞		10.27
Unilever Australia 12 98 A$	150	105⅜	105¾	–⅛	9.81
Western Aust Tres 7⅝ 98 A$	100	94⅛	95⅛	–¼	9.68
Abbey Natl Treasury 8 03 £	1000	94	94½		9.09
Alliance Leics 11⅜ 97 £	100	105½	105⅞		8.32
British Land 8⅞ 23 £	150	89½	89⅞	+⅛	10.24
Denmark 6⅜ 98 £	800	95¼	95½		8.42
EIB 8 03 £	1000	95½	95¾		8.79
Halifax 10⅞ 97 £	100	103¾	104		8.09
Hanson 10⅜ 97 £	500	103⅞	104⅛		8.69
HSBC Holdings 11.69 02 £	153	110⅝	111⅛		9.57
Italy 10½ 14 £	400	104⅞	105¼		9.92
Japan Dev Bk 7 00 £	200	93¼	93½		8.68
Land Secs 9½ 07 £	200	101	101⅜	+⅛	9.36
Ontario 11⅛ 01 £	100	109¼	109⅝	+⅛	8.99
Powergen 8⅞ 03 £	250	98⅞	99¼		9.07
Severn Trent 11½ 99 £	150	109	109⅜		8.88
Tokyo Elec Power 11 01 £	150	109⅝	110		8.88
Abbey National 0 96 NZ$	100	89⅜	89⅝		8.93
TCNZ Fin 9¼ 02 NZ$	75	103⅞	104⅜	–⅛	8.50
Credit Local 6 01 FFr	7000	91	91⅛	+¼	7.79
Elec de France 8¾ 22 FFr	3000	101¾	102¼	+⅛	8.68
SNCF 9¼ 97 FFr	4000	103⅜	103¾		7.34

FLOATING RATE NOTES

	Issued	Bid	Offer	Cpn
Abbey Natl Treasury –1/16 99	1000	99.65	99.73	6.2500
Bankamerica ⅛ 99	750	99.54	99.64	6.4375
Belgium 1/16 97 DM	500	100.09	100.19	5.0750
BFCE –0.02 98	350	99.87	99.96	6.2300
Canada –⅛ 99	2000	99.23	99.29	6.0000
CCCE 0 06 Ecu	200	98.19	98.36	6.0781
Credit Lyonnais ⅛ 00	300	97.01	97.54	6.6875
Denmark –⅛ 96	1000	99.75	99.86	6.1875
Dresdner Finance 1/16 98 DM	1000	100.00	100.10	5.0938
Ferro del Stat 0.10 97	420	99.86	100.01	6.2250
Finland 0 97	1000	100.10	100.17	6.7500
IMI Bank Intl ¼ 99	500	99.85	99.97	6.6875
Italy ¼ 98	2000	99.90	99.99	6.5000
LKB Baden-Wuert Fin –⅛ 98	1000	99.54	99.63	5.8750
Lloyds Bank Perp S 0.10	600	82.75	84.06	6.5375
Malaysia 1/16 05	650	99.30	99.56	6.5000
New Zealand –⅛ 99	1000	99.82	99.89	6.1875
Nova Scotia 1/16 99	500	99.63	99.73	6.4375
Ontario 0 99	2000	99.38	99.47	6.2500
Renfe 0 98	500	99.44	99.55	6.0000
Societe Generale 0 98	300	99.71	99.82	6.3125
Staatsbank Berlin –0.05 98 DM	6000	99.96	100.01	4.8467
State Bk Victoria 0.05 99	125	99.99	100.13	6.9875
Sweden 0 98	1500	99.88	99.94	6.2500
Sweden –⅛ 01	2000	99.83	99.90	6.1250
United Kingdom –⅛ 96	4000	99.91	99.95	6.0000

CONVERTIBLE BONDS

	Issued	Conv. Price	Bid	Offer	Prem.
Browning-Ferris 6¾ 05	400	32½	94⅞	95⅞	+46.65
Chubb Capital 6 98	250	86	103¾	104½	+12.58
Gold Kalgoorlie 7½ 00	65	1.0554	101½	102½	+21.81
Hanson 9½ 06 £	500	2.5875	102	102⅞	+12.07
Hanson America 2.39 01	420	30.6750	75⅜	76⅛	+27.28
Hong Kong Land 4 01	410	31.05	78⅞	79⅝	-21.41
Land Secs 6¾ 02 £	84	6.72	93⅛	94⅛	+10.71
Lasmo 7¾ 05 £	90	5.64	85½	86⅞	[illegible]
Mitsui Bank 2⅝ 03	200	2332.6	81⅞	83⅞	+8.82
Mount Isa Fin 6½ 97	100	2.283	97½	98½	+51.05
Natl Power 6¼ 08 £	250	4.33	103⅜	104½	-0.07
Ogden 6 02	85	39.077	86¼	87⅞	+63.42
Pennzoil 4¾ 03	500	56.8097	93½	94½	+18.25
Sumitomo Bank 3½ 04	300	3606.9	84	85	+7.45
Sun Alliance 7¾ 08 £	155	3.9	85	86	-9.84
Tesco Capital 9 05 £	200	2.51	119¾	120¾	+11.15
Texas Instruments 2¾ 02	300	82⅞	113½	114½	+10.35

* No information available - previous day's price
‡ Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate (three-month §above mean rate) for US dollars. Cpn=The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

صكرا من الاصل

هكذا من الاصل

CURRENCIES AND MONEY

MARKETS REPORT

Dollar trades steadily ahead of G7 meeting

Foreign exchanges had a steady, if slightly nervous, session yesterday ahead of the G7 meeting in Washington today where currencies will be a subject for discussion, *writes Philip Gawith.*

There is little expectation that the summit will produce an accord aimed at securing a stronger dollar, but there was sufficient wariness ahead of the event to place a dampener on market activity.

The dollar had a slightly positive bias in Europe, closing towards the top end of its daily trading range. It closed in London at Y83.35 and DM1.3699, from Y82.915 and DM1.3766 on Friday.

In Europe, the focus was on the French franc following the surprise victory of Mr Lionel Jospin, the socialist candidate, in the first round of the presidential elections on Sunday. After sinking to a low of FFr3.5880 against the D-Mark on Sunday evening, the franc recovered to close at FFr3.537.

The franc led most other European currencies to higher finishes against the D-Mark. The lira was less active, with the regional election results not providing a very clear message to the markets. It closed at L1,248 against the D-Mark, from L1,251.

One piece of good news was the continued recovery of the Mexican peso which finished at 5.985 against the dollar, the first time it has finished below 6 pesos for a number of months.

■ For contrarians, the G7 discussion on currencies today is a surprise waiting to happen. Seldom can there have been such a robust consensus that the talks will produce nothing to help the dollar beyond the usual blandishments that the currency is undervalued.

Lack of agreement is likely to prompt further dollar selling. An aide to Mr Masayoshi Takemura, the Japanese prime minister, said in Washington yesterday: "If G7 nations only express their own opinions, and as a result they cannot keep a common step and cooperate (on currency moves), that's not good for the current exchange rate situation."

In a similar vein, Mr Michael Camdessus, managing director of the IMF, called for greater policy co-ordination among G7 countries. Also in the "something must be done" school was Mr Jacques Santer, president of the European Commission, who criticised Washington for "benign neglect" of the dollar.

From a market perspective, however, the more significant comments were almost certainly those of Mr Otmar Issing, the Bundesbank board member and chief economist. In a speech in Frankfurt, he went straight to the heart of the matter, saying: "The idea that the seven meet together and put together a unified package is illusory."

He went on to say that he doubted the wisdom of foreign exchange intervention. "Central banks are not the masters of exchange rates." Mr Issing said that weak currencies reflected problems of past inflation and curbing budget deficits.

Mr Joe Prendergast, analyst at Paribas Capital Markets in London, said sentiment towards the dollar was so negative that the market appeared to be having difficulty pushing the dollar much lower. "If market sentiment is all one way, it will find it difficult to go further in that direction. It is more difficult to go down now. There is a greater sense of two-way risk," he said.

Mr Malcolm Barr, economist at Chemical Bank in London, said there had recently been more interest to buy the dollar, both from genuine customer business, and from professional operators who were not in the market on a daily basis.

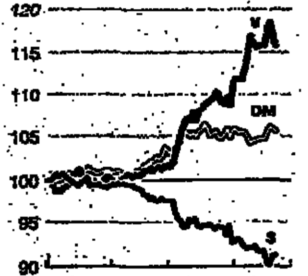
■ *The initial fall in the franc* following the election result appeared to be nothing more than an reaction to the surprise. Mr Jospin's good performance may not have been what the market was looking for, but the election of a conservative president, Mr Chirac, still seemed the most likely final outcome.

The recovery in the franc yesterday was simply a bounce back from this earlier move. But Mr Prendergast said that with the election closer than originally anticipated, the franc would probably find further appreciation, from current levels, difficult.

■ Overnight money rate rose to 8¼ per cent as the Bank of England only provided £487m assistance to UK money markets, after forecasting a £800m shortage. Three month money also firmed, rising to 6$\frac{13}{16}$ per cent, up from 6$\frac{11}{16}$ per cent.

Exchange rates

Trade-weighted indices rebased



Source: Datastream

■ **Pound in New York**

Apr 24	—Latest—	— Prev. close —
£ spot	1.6035	1.6122
1 mth	1.6031	1.6120
3 mth	1.6013	1.6104
1 yr	1.5883	1.5974

■ **OTHER CURRENCIES**

Apr 24	£	$
Hungary	189.498 - 189.858	117.260 - 117.310
Iran	2806.31 - 2813.12	1745.00 - 1750.00
Kuwait	0.4671 - 0.4678	0.2906 - 0.2909
Poland	3.7778 - 3.7873	2.3500 - 2.3550
Russia	8174.48 - 8175.74	5083.00 - 5086.00
U.A.E.	5.9042 - 5.9072	3.6728 - 3.6732

POUND SPOT FORWARD AGAINST THE POUND

Apr 24		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	Day's Mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	Bank of Eng. Index
Europe													
Austria	(Sch)	15.4979	-0.0596	900 - 058	15.7281	15.4376	15.4748	1.8	15.4276	1.8	-	-	10.5
Belgium	(BFr)	45.3092	-0.2778	913 - 271	45.6840	45.1540	45.2692	1.1	45.1692	1.2	44.6342	1.5	111.2
Denmark	(DKr)	8.6768	-0.068	709 - 827	8.7277	8.6709	8.6843	-1.0	8.6878	-0.5	8.6562	0.2	111.1
Finland	(FM)	6.8374	-0.0422	319 - 429	6.9070	6.8220	-	-	-	-	-	-	87.9
France	(FFr)	7.7924	-0.0509	891 - 957	7.8633	7.7805	7.806	-2.1	7.8251	-1.7	7.7951	0.0	109.9
Germany	(DM)	2.2026	-0.0085	015 - 036	2.2142	2.1875	2.1995	1.7	2.1921	1.9	2.1506	2.4	114.4
Greece	(Dr)	359.475	-1.674	260 - 690	361.292	357.270	-	-	-	-	-	-	69.3
Ireland	(I£)	0.9827	-0.0014	819 - 834	0.9888	0.9790	0.9823	0.5	0.9821	0.2	0.9824	0.0	95.9
Italy	(L)	2749.06	-16.1	802 - 010	2775.71	2748.05	2759.46	-4.5	2779.51	-4.4	2860.41	-4.1	63.0
Luxembourg	(LFr)	45.3092	-0.2778	913 - 271	45.6840	45.1540	45.2692	1.1	45.1692	1.2	44.6342	1.5	111.2
Netherlands	(Fl)	2.4646	-0.0131	632 - 659	2.4834	2.4540	2.4612	1.6	2.4531	1.9	2.4084	2.3	111.1
Norway	(NKr)	9.9349	-0.0472	287 - 411	10.0052	9.8719	9.9262	1.1	9.9026	1.3	9.7753	1.6	99.8
Portugal	(Es)	233.203	-1.133	071 - 334	234.636	232.806	232.336	4.5	236.508	-4.0	-	-	96.9
Spain	(Pta)	197.420	-1.193	272 - 567	198.587	197.266	197.92	-3.0	204.44	-14.2	203.4	-3.0	79.8
Sweden	(SKr)	11.9554	+0.0476	447 - 660	12.0167	11.7884	11.9578	-0.2	11.9621	-0.2	11.9813	-0.2	75.3
Switzerland	(SFr)	1.8249	-0.003	237 - 261	1.8308	1.8072	1.8208	2.7	1.8113	3.0	1.761	3.5	114.9
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	84.2
Ecu	-	1.2030	-0.0081	023 - 037	1.2148	1.2017	1.2028	0.2	1.2031	0.0	1.1961	0.6	-
SDR†	-	1.018700	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.6078	+0.0022	073 - 082	1.6210	1.6070	-	-	-	-	-	-	-
Brazil	(R$)	1.4688	-0.0018	676 - 699	1.4722	1.4684	-	-	-	-	-	-	-
Canada	(C$)	2.1975	+0.0005	966 - 984	2.2228	2.1966	2.2009	-1.9	2.2053	-1.4	2.2061	-0.4	82.6
Mexico (New Peso)		9.6230	-0.0386	968 - 492	9.7906	9.5968	-	-	-	-	-	-	-
USA	($)	1.6079	+0.0016	075 - 082	1.6212	1.6070	1.6077	0.1	1.606	0.5	1.5929	0.9	87.6
Pacific/Middle East/Africa													
Australia	(A$)	2.2051	+0.0142	039 - 063	2.2146	2.2039	2.2077	-1.4	2.2122	-1.3	2.2293	-1.1	78.2
Hong Kong	(HK$)	12.4343	+0.0136	308 - 378	12.5371	12.4285	12.4303	0.4	12.4209	0.4	12.354	0.6	-
India	(Rs)	50.4680	-0.0004	514 - 646	50.9220	50.4470	-	-	-	-	-	-	-
Israel	(Shk)	4.7602	-0.0024	547 - 656	4.7936	4.7537	-	-	-	-	-	-	-
Japan	*(Y)*	*134.014*	*+0.832*	*905 - 124*	*134.880*	*132.530*	*133.489*	*4.7*	*132.349*	*5.0*	*128.554*	*5.6*	*171.5*
Malaysia	(M$)	3.9529	-0.0081	512 - 546	3.9901	3.9512	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.3916	+0.0015	893 - 939	2.3965	2.3893	2.3969	-2.7	2.406	-2.4	2.4202	-1.2	98.0
Philippines	(Peso)	41.8845	+0.0416	950 - 740	41.9740	41.7950	-	-	-	-	-	-	-
Saudi Arabia	(SR)	6.0304	+0.0062	288 - 320	6.0800	6.0275	-	-	-	-	-	-	-
Singapore	(S$)	2.2414	-0.0002	401 - 426	2.2573	2.2389	-	-	-	-	-	-	-
South Africa	(R)	5.8032	+0.0029	007 - 056	5.8461	5.8005	-	-	-	-	-	-	-
South Korea	(Won)	1225.58	-2.08	524 - 593	1237.55	1225.02	-	-	-	-	-	-	-
Taiwan	(T$)	40.8233	+0.0221	080 - 386	41.1558	40.8082	-	-	-	-	-	-	-
Thailand	*(Bt)*	*39.4567*	*+0.0233*	*320 - 813*	*39.7440*	*39.4320*	-	-	-	-	-	-	-

† Rates for Apr 21. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. *Sterling index calculated by the Bank of England.* Base average 1990 = 100. *Index rebased 1/2/95.* Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Apr 24		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	Day's mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	J.P Morgan Index
Europe													
Austria	(Sch)	9.6389	-0.0467	361 - 417	9.6417	9.5450	9.6269	1.5	9.6069	1.3	9.5124	1.3	108.1
Belgium	(BFr)	28.1800	-0.201	750 - 850	28.2000	27.8800	28.155	1.1	28.117	0.9	27.995	0.7	110.5
Denmark	(DKr)	5.3965	-0.0465	940 - 990	5.3990	5.3568	5.4006	-0.9	5.4085	-0.9	5.4252	-0.5	109.4
Finland	*(FM)*	*4.2525*	*-0.0305*	*500 - 550*	*4.2708*	*4.2152*	*4.2528*	*-0.1*	*4.2533*	*-0.1*	*4.256*	*-0.1*	*86.2*
France	(FFr)	4.8465	-0.0365	455 - 475	4.8550	4.8210	4.8552	-2.1	4.8702	-2.0	4.8857	-0.8	106.8
Germany	(DM)	1.3699	-0.0067	695 - 702	1.3702	1.3528	1.3681	1.5	1.3644	1.6	1.3488	1.5	113.4
Greece	(Dr)	223.575	-1.265	490 - 660	223.660	220.780	225.505	-10.4	229.36	-10.3	245.33	-9.7	68.2
Ireland	(I£)	1.6363	+0.004	354 - 372	1.6538	1.6355	1.637	-0.5	1.6387	-0.6	1.6508	-0.9	-
Italy	(L)	1709.78	-11.72	950 - 005	1714.25	1703.80	1716.28	-4.6	1729.68	-4.7	1792.03	-4.8	63.1
Luxembourg	(LFr)	28.1800	-0.201	750 - 850	28.2000	27.8800	28.155	1.1	28.117	0.9	27.995	0.7	110.5
Netherlands	(Fl)	1.5328	-0.0097	323 - 333	1.5360	1.5148	1.5307	1.6	1.5269	1.5	1.5108	1.4	110.2
Norway	(NKr)	6.1790	-0.0355	765 - 815	6.1894	6.0975	6.1737	1.0	6.1638	1.0	6.133	0.7	98.3
Portugal	(Es)	145.040	-0.85	990 - 090	145.900	143.850	145.54	-4.1	146.685	-4.5	151.98	-4.8	96.9
Spain	(Pta)	122.785	-0.865	720 - 850	122.850	122.050	123.1	-3.1	123.805	-3.3	127.555	-3.9	79.1
Sweden	(SKr)	7.4356	+0.0222	305 - 406	7.4497	7.2903	7.4509	-2.5	7.4836	-2.8	7.6566	-3.0	76.1
Switzerland	(SFr)	1.1350	-0.003	345 - 355	1.1355	1.1178	1.1324	2.7	1.1275	2.7	1.1041	2.7	114.4
UK	(£)	1.6079	+0.0016	075 - 082	1.6212	1.6070	1.6077	0.1	1.606	0.5	1.5929	0.9	83.8
Ecu	-	1.3365	+0.0102	360 - 370	1.3448	1.3360	1.3362	0.3	1.3357	0.2	1.3336	0.2	-
SDR†	-	0.63530	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.0000	+0.0004	999 - 000	1.0000	0.9999	-	-	-	-	-	-	-
Brazil	*(R$)*	*0.9135*	*-0.002*	*130 - 140*	*0.9140*	*0.9100*	-	-	-	-	-	-	-
Canada	(C$)	1.3668	-0.001	665 - 670	1.3726	1.3663	1.3693	-2.2	1.3729	-1.8	1.3841	-1.3	81.0
Mexico (New Peso)		5.9850	-0.03	700 - 000	6.0100	5.9700	5.9873	-0.5	5.9905	-0.4	5.9953	-0.2	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	88.9
Pacific/Middle East/Africa													
Australia	(A$)	1.3714	+0.0075	710 - 719	1.3754	1.3660	1.373	-1.4	1.3769	-1.8	1.3981	-1.9	79.6
Hong Kong	(HK$)	7.7335	+0.0008	330 - 340	7.7345	7.7325	7.7317	0.3	7.7313	0.1	7.747	-0.2	-
India	(Rs)	31.3885	-0.0315	850 - 920	31.4300	31.3820	31.4685	-3.1	31.7135	-4.1	-	-	-
Israel	(Shk)	2.9606	-0.0045	578 - 633	2.9633	2.9472	-	-	-	-	-	-	-
Japan	*(Y)*	*83.3500*	*+0.435*	*000 - 000*	*83.4000*	*82.1000*	*83.025*	*4.7*	*82.38*	*4.7*	*79.36*	*4.8*	*173.5*
Malaysia	(M$)	2.4586	-0.0075	580 - 590	2.4650	2.4555	2.4585	1.0	2.4541	0.7	2.4485	0.4	-
New Zealand	(NZ$)	1.4874	-0.0005	863 - 885	1.4885	1.4782	1.4908	-2.7	1.4976	-2.7	1.5169	-2.0	-
Philippines	(Peso)	26.0500	-	000 - 000	26.1000	26.0000	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7506	+0.0001	504 - 508	3.7508	3.7504	3.7516	-0.3	3.7536	-0.3	3.7656	-0.4	-
Singapore	(S$)	1.3940	-0.0015	935 - 945	1.3945	1.3915	1.3887	4.5	1.3805	3.9	1.354	2.9	-
South Africa	(R)	3.6093	-0.0018	085 - 100	3.6115	3.5925	3.6273	-6.0	3.6646	-6.1	3.8586	-6.9	-
South Korea	(Won)	762.250	-2.05	200 - 300	763.500	762.200	765.25	-4.7	768.75	-3.4	787.25	-3.3	-
Taiwan	(T$)	25.3900	-0.0115	860 - 940	25.3940	25.3575	25.41	-0.9	25.45	-0.9	-	-	-
Thailand	*(Bt)*	*24.5400*	*-0.01*	*300 - 500*	*24.5500*	*24.5100*	*24.561*	*-1.0*	*24.5875*	*-0.8*	*24.875*	*-0.8*	-

† SDR rate per $ for Apr 21. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Apr 21. Base average 1990=100

WORLD INTEREST RATES

MONEY RATES

April 24	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	4⅝	5⅛	5⅜	5⁹⁄₁₆	5⅝	7.40	4.00	-
week ago	4⅞	5⅛	5¼	5⁷⁄₁₆	5⅝	7.40	4.00	-
France	7¾	8¼	7⅞	7¹¹⁄₁₆	7½	5.00	-	8.00
week ago	7¹¹⁄₁₆	8¼	7¾	7	6⅞	5.00	-	8.00
Germany	4½	4¹³⁄₃₂	4½	4⅝	4⅞	6.00	4.00	4.51
week ago	4⅝	4¹³⁄₃₂	4⅝	4¾	4⅞	6.00	4.00	4.50
Ireland	5⅝	5⅝	6⅞	7⅛	7½	-	-	6.25
week ago	5⅝	5⅝	6⅝	6⅞	7⅛	-	-	6.25
Italy	10⅛	10⅝	10⅞	11⅛	11⅜	-	7.50	10.79
week ago	10¼	10½	10⅝	10⅞	11¼	-	7.50	10.46
Netherlands	4⅝	4½	4⅝	4⅝	4⅞	-	5.25	-
week ago	4.48	4½	4.68	4.80	5.04	-	5.25	-
Switzerland	3½	3¼	3½	3⅜	3⅝	6.625	3.00	-
week ago	3¼	3½	3⅞	3½	3⅝	6.625	3.00	-
US	6	6	6⅛	6¼	6⅜	-	5.25	-
week ago	5⅝	6	6⅛	6¼	6⅝	-	5.25	-
Japan	2¼	1⅜	1⅜	1⅜	1¼	-	1.00	-
week ago	2¼	1⅝	1½	1½	1½	-	1.75	-
■ **$ LIBOR FT London**								
Interbank Fixing	-	6⅛	6¼	6⅜	6⅝	-	-	-
week ago	-	6⅛	6¼	6⅜	6½	-	-	-
US Dollar CDs	-	5.88	5.98	6.11	6.35	-	-	-
week ago	-	5.86	6.02	6.21	6.51	-	-	-
SDR Linked Ds	-	4⅝	5	5¼	5⅛	-	-	-
week ago	-	4⅝	5	5¼	5¼	-	-	-

ECU Linked Ds mid rates: 1 mth: 6⅝; 3 mths: 6¾; 6 mths: 6⅞; 1 year: 6⅞. $ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US $ CDs and SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Apr 24	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	4¹³⁄₁₆ - 4¹¹⁄₁₆	5 - 4⅞	5¼ - 5⅛	5⅝ - 5½	5¾ - 5⅝	6 - 5⅞
Danish Krone	7⅛ - 6⅝	7 - 6⅝	7 - 6¾	7¹⁄₁₆ - 6¹³⁄₁₆	7⅛ - 6⅞	7³⁄₁₆ - 6¹⁵⁄₁₆
D-Mark	4⅝ - 4½	4⁹⁄₁₆ - 4⁷⁄₁₆	4⁹⁄₁₆ - 4⁷⁄₁₆	4⁹⁄₁₆ - 4⁷⁄₁₆	4¹¹⁄₁₆ - 4⁹⁄₁₆	4¹³⁄₁₆ - 4¹¹⁄₁₆
Dutch Guilder	4⁷⁄₁₆ - 4⅜	4½ - 4⅜	4½ - 4⁷⁄₁₆	4²¹⁄₃₂ - 4¹⁷⁄₃₂	4¾ - 4⅝	5 - 4⅞
French Franc	7⅞ - 7⅝	8¹⁄₁₆ - 7¹³⁄₁₆	8⅛ - 7⅞	8¹⁄₁₆ - 7¹³⁄₁₆	7¹¹⁄₁₆ - 7⁹⁄₁₆	7⅝ - 7⁷⁄₁₆
Portuguese Esc.	9 - 8¾	9½ - 9	10¼ - 9½	11 - 10⅝	11³⁄₁₆ - 10⅞	11⅝ - 11⅜
Spanish Peseta	8⁹⁄₁₆ - 8⁷⁄₁₆	8⅝ - 8½	8¹³⁄₁₆ - 8¹¹⁄₁₆	9⅝ - 9½	10⅛ - 9¹⁵⁄₁₆	10⅝ - 10⅜
Sterling	6⅜ - 6⅛	6⁵⁄₁₆ - 6³⁄₁₆	6⅜ - 6¼	6¹³⁄₁₆ - 6¾	7⅛ - 7	7⅝ - 7½
Swiss Franc	3½ - 3⅜	3½ - 3⅜	3⁷⁄₁₆ - 3⁵⁄₁₆	3½ - 3⅜	3⁹⁄₁₆ - 3⁷⁄₁₆	3¹¹⁄₁₆ - 3⁹⁄₁₆
Can. Dollar	7¹⁵⁄₁₆ - 7¾	8 - 7¹³⁄₁₆	7¹⁵⁄₁₆ - 7¹³⁄₁₆	7¹⁵⁄₁₆ - 7¹³⁄₁₆	7⅞ - 7¾	7¹³⁄₁₆ - 7¹¹⁄₁₆
US Dollar	6 - 5⅞	6¹⁄₁₆ - 5¹⁵⁄₁₆	6¹⁄₁₆ - 5¹⁵⁄₁₆	6³⁄₁₆ - 6¹⁄₁₆	6⁵⁄₁₆ - 6³⁄₁₆	6½ - 6⅜
Italian Lira	10¼ - 9¾	10⅝ - 10½	10⅝ - 10½	10¹³⁄₁₆ - 10¹¹⁄₁₆	11⁵⁄₁₆ - 11³⁄₁₆	11¹¹⁄₁₆ - 11⁹⁄₁₆
Yen	1⁷⁄₁₆ - 1⅜	1¹³⁄₃₂ - 1¹¹⁄₃₂	1¹³⁄₃₂ - 1¹¹⁄₃₂	1⁷⁄₁₆ - 1⅜	1⁷⁄₁₆ - 1⅜	1½ - 1⁷⁄₁₆
Asian $Sing	½ - ¼	⅞ - ⅝	1⅝ - 1½	2⅛ - 2	2½ - 2⅜	3 - 2⅞

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ **THREE MONTH PIBOR FUTURES** (MATIF) Paris interbank offered rate (FFr5m)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	92.33	92.71	+0.08	92.84	92.24	39,926	40,001
Sep	93.34	93.53	+0.05	93.59	93.30	9,401	34,731
Dec	93.50	93.57	+0.08	93.57	93.30	4,510	21,304
Mar	93.40	93.43	+0.11	93.43	93.13	1,249	14,012

■ **THREE MONTH EURODOLLAR** (LIFFE)* $1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	-	93.73	-0.02	-	-	0	565
Sep	-	93.62	-0.03	-	-	0	349
Dec	-	93.43	-0.04	-	-	0	255
Mar	-	93.44	-0.04	-	-	0	0

■ **THREE MONTH EUROMARK FUTURES** (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	95.37	95.37	+0.02	95.38	95.35	12334	148273
Sep	95.20	95.23	+0.07	95.23	95.15	32752	163751
Dec	94.89	94.90	+0.05	94.92	94.84	24995	120853
Mar	94.64	94.63	+0.03	94.64	94.59	8022	70227

■ **THREE MONTH EUROLIRA INT.RATE FUTURES** (LIFFE) L1000m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	88.70	88.70	-0.04	88.77	88.62	6248	35910
Sep	88.58	88.61	-0.06	88.68	88.58	1560	24476
Dec	88.60	88.56	-0.07	88.61	88.56	1122	14297
Mar	88.58	88.52	-0.06	88.62	88.52	606	8409

■ **THREE MONTH EURO SWISS FRANC FUTURES** (LIFFE) *SFr1m points of 100%*

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	96.46	96.42	-0.02	96.47	96.40	1401	22880
Sep	96.34	96.31	-0.01	96.35	96.30	858	10223
Dec	96.17	96.12	-0.03	96.18	96.14	267	6034
Mar	95.98	95.92	-0.04	95.98	95.98	110	1681

■ **THREE MONTH ECU FUTURES** (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	93.50	93.56	+0.03	93.64	93.48	1345	8678
Sep	93.44	93.50	+0.04	93.58	93.43	512	4807
Dec	93.22	93.26	+0.03	93.30	93.22	185	2496
Mar	93.04	93.06	+0.03	93.06	93.04	53	1428

* LIFFE futures also traded on APT

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Apr 24		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	19.15	17.20	4.862	2.169	6067	5.438	21.93	514.7	435.7	26.40	4.028	2.207	4.851	3.549	295.7	2.655
Denmark	(DKr)	52.22	10	8.980	2.539	1.133	3168	2.840	11.45	268.8	227.5	13.78	2.103	1.152	2.533	1.853	154.4	1.386
France	(FFr)	58.15	11.14	10	2.827	1.262	3528	3.162	12.75	299.3	253.3	15.35	2.342	1.283	2.821	2.064	172.0	1.544
Germany	(DM)	20.57	3.939	3.537	1	0.446	1248	1.118	4.510	105.9	89.61	5.429	0.828	0.454	0.996	0.730	60.83	0.546
Ireland	(I£)	46.09	8.827	7.927	2.241	1	2797	2.507	10.11	237.2	200.8	12.17	1.857	1.017	2.236	1.636	136.3	1.224
Italy	(L)	1.648	0.316	0.283	0.080	0.036	100.	0.090	0.361	8.483	7.181	0.435	0.066	0.036	0.080	0.058	4.874	0.044
Netherlands	*(Fl)*	*18.39*	*3.522*	*3.162*	*0.894*	*0.399*	*1116*	*1*	*4.032*	*94.64*	*80.11*	*4.854*	*0.741*	*0.406*	*0.892*	*0.653*	*54.38*	*0.488*
Norway	(NKr)	45.61	8.734	7.843	2.217	0.989	2767	2.480	10	234.7	198.7	12.04	1.837	1.007	2.212	1.619	134.9	1.211
Portugal	(Es)	19.43	3.721	3.341	0.945	0.422	1179	1.057	4.260	100.	84.65	5.129	0.783	0.429	0.943	0.690	57.48	0.516
Spain	(Pta)	22.95	4.396	3.947	1.116	0.498	1393	1.248	5.033	118.1	100.	6.058	0.925	0.507	1.113	0.815	67.88	0.609
Sweden	(SKr)	37.88	7.256	6.515	1.842	0.822	2298	2.060	8.307	195.0	165.1	10	1.526	0.836	1.838	1.344	112.0	1.006
Switzerland	(SFr)	24.83	4.755	4.270	1.207	0.539	1506	1.350	5.444	127.8	108.2	6.553	1	0.548	1.204	0.881	73.42	0.659
UK	(£)	45.31	8.677	7.792	2.203	0.983	2749	2.464	9.935	233.2	197.4	11.96	1.825	1	2.198	1.608	134.0	1.203
Canada	(C$)	20.61	3.948	3.545	1.002	0.447	1251	1.121	4.520	106.1	89.81	5.441	0.830	0.455	1	0.732	60.96	0.547
US	($)	28.18	5.396	4.846	1.370	0.611	1710	1.532	6.178	145.0	122.8	7.438	1.135	0.622	1.367	1	83.33	0.748
Japan	*(Y)*	*33.81*	*6.475*	*5.815*	*1.644*	*0.734*	*2051*	*1.839*	*7.414*	*174.0*	*147.3*	*8.925*	*1.362*	*0.746*	*1.640*	*1.200*	*100.*	*0.898*
Ecu		37.66	7.213	6.477	1.831	0.817	2285	2.048	8.259	193.8	164.1	9.942	1.517	0.831	1.827	1.337	111.4	1

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10; Belgian Franc, Yen, Escudo, Lira and Peseta per 100.

■ **D-MARK FUTURES** (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.7367	0.7352	+0.0040	0.7412	0.7330	26,476	60,891
Sep	0.7390	0.7385	+0.0034	0.7390	0.7366	328	2,962
Dec	0.7414	0.7414	+0.0045	0.7414	0.7414	192	592

■ **SWISS FRANC FUTURES** (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	0.8944	0.8897	+0.0028	0.8900	0.8873	14,859	27,431
Sep	0.8936	0.8960	+0.0012	0.8960	0.8934	102	2,228
Dec	-	0.9008	-	0.9008	-	12	529

■ **JAPANESE YEN FUTURES** (IMM) Yen 12.5m per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	1.2254	1.2124	-0.0047	1.2270	1.2085	15,686	59,219
Sep	1.2325	1.2260	-0.0041	1.2325	1.2260	444	3,326
Dec	1.2438	1.2435	-0.0023	1.2450	1.2435	28	788

■ **STERLING FUTURES** (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	1.6186	1.6150	+0.0054	1.6208	1.6114	5,815	22,544
Sep	1.6120	1.6130	+0.0048	1.6140	1.6100	10	238
Dec	-	1.6100	-	1.6100	-	1	62

UK INTEREST RATES

LONDON MONEY RATES

Apr 24	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	8½ - 5¾	6¼ - 5⅞	6⁵⁄₁₆ - 6³⁄₁₆	6¹³⁄₁₆ - 6¹¹⁄₁₆	7⅛ - 7	7⅝ - 7½
Sterling CDs	-	-	6⁵⁄₁₆ - 6³⁄₁₆	6¹³⁄₁₆ - 6¹¹⁄₁₆	7 - 6¹³⁄₁₆	7½ - 7⅜
Treasury Bills	-	-	6⅛ - 6	6½ - 6⅜	-	-
Bank Bills	-	-	6¼ - 6⅛	6⅝ - 6½	6¹³⁄₁₆ - 6¹¹⁄₁₆	-
Local authority deps.	7¹⁄₁₆ - 6¹³⁄₁₆	6³⁄₁₆ - 5¹⁵⁄₁₆	6¼ - 6⅛	6¹³⁄₁₆ - 6¹¹⁄₁₆	7¹⁄₁₆ - 6¹⁵⁄₁₆	7¹¹⁄₁₆ - 7⁹⁄₁₆
Discount Market deps	7 - 5¾	6 - 5¹³⁄₁₆	-			

UK clearing bank base lending rate 6¾ per cent from February 2, 1995

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	3	5¾	6¾	6	6¼

Certs of Tax dep. under £100,000 is 2½pc. Deposits withdrawn for cash 1¼pc. Ave. tender rate of discount 6.1687pc. ECGD fixed rate Stg. Export Finance. Make up day Mar 31, 1995. Agreed rate for period Apr 26, 1995 to May 25, 1995, Schemes II & III 7.98pc. Reference rate for period Mar 1, 1995 to Mar 31, 1995, Schemes IV & V 6.713pc. Finance House Base Rate 7pc from Apr 1, 1995

■ **THREE MONTH STERLING FUTURES** (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	92.88	92.86	-0.05	92.88	92.83	15763	95793
Sep	92.45	92.42	-0.05	92.45	92.40	9551	76119
Dec	92.13	92.12	-0.04	92.14	92.10	3236	55025
Mar	91.86	91.85	-0.03	91.87	91.84	1292	34993

Also traded on APT. All Open interest figs. are for previous day.

■ **SHORT STERLING OPTIONS** (LIFFE) £500,000 points of 100%

Strike Price	CALLS Jun	CALLS Sep	CALLS Dec	PUTS Jun	PUTS Sep	PUTS Dec
9275	0.21	0.19	0.18	0.10	0.51	0.81
9300	0.08	0.10	0.11	0.22	0.68	0.99
9325	0.02	0.05	0.06	0.41	0.88	1.19

Est. vol. total, Calls 5395 Puts 8265. Previous day's open int., Calls 174028 Puts 155712

EMS EUROPEAN CURRENCY UNIT RATES

Apr 24	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Netherlands	2.15214	2.06866	-0.00181	-3.88	8.14	-
Belgium	39.3960	38.0259	-0.0279	-3.48	7.69	25
Austria	13.4383	13.0009	-0.0115	-3.36	7.45	-
Germany	1.91007	1.84771	-0.00172	-3.26	7.45	-
Denmark	7.28580	7.27931	+0.01001	-0.09	4.04	1
Portugal	195.792	195.627	-0.047	-0.08	4.03	1
Spain	*162.493*	*165.267*	*-0.078*	*1.72*	*2.19*	*-12*
France	6.40608	6.53224	-0.00138	1.97	1.94	-17
Ireland	0.792214	0.823478	+0.005212	3.95	0.00	-27
NON ERM MEMBERS						
Greece	292.867	301.449	-0.014	2.93	0.99	-
Italy	2106.15	2309.29	+0.17	9.65	-5.20	-
UK	0.786652	0.836831	+0.003409	6.38	-2.29	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ **PHILADELPHIA SE £/$ OPTIONS** £31,250 (cents per pound)

Strike Price	CALLS May	CALLS Jun	CALLS Jul	PUTS May	PUTS Jun	PUTS Jul
1.525	8.97	9.17	9.42	-	0.33	0.67
1.550	6.62	7.11	7.51	0.06	0.69	1.17
1.575	4.41	5.25	5.75	0.35	1.28	1.88
1.600	2.55	3.65	4.25	0.99	2.16	2.79
1.625	1.27	2.44	3.02	2.16	3.33	4.02
1.650	0.52	1.53	2.11	3.84	4.89	5.53

Previous day's vol., Calls 4,811 Puts 8,820 . Prev. day's open int., Calls 344,306 Puts 298,103

■ **THREE MONTH EURODOLLAR** (IMM) $1m points of 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	93.73	93.73	-0.01	93.74	93.72	38,390	487,069
Sep	93.64	93.62	-0.02	93.64	93.60	42,416	363,579
Dec	93.44	93.42	-0.03	93.44	93.40	50,505	265,931

■ **US TREASURY BILL FUTURES** (IMM) $1m per 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Jun	94.30	94.28	-0.03	94.30	94.28	505	13,635
Sep	94.17	94.15	-0.02	94.17	94.15	528	11,474
Dec	-	93.98	-0.04	93.98	93.98	110	10,489

All Open interest figs. are for previous day

■ **EUROMARK OPTIONS** (LIFFE) DM1m points of 100%

Strike Price	CALLS May	CALLS Jun	CALLS Jul	CALLS Sep	PUTS May	PUTS Jun	PUTS Jul	PUTS Sep
9525	0.14	0.16	0.15	0.18	0.02	0.04	0.17	0.20
9550	0.02	0.04	0.05	0.07	0.15	0.17	0.32	0.34
9575	0.01	0.01	0.02	0.03	0.39	0.39	0.54	0.55

Est. vol. total, Calls 1946 Puts 5835. Previous day's open int., Calls 138120 Puts 244245

■ **EURO SWISS FRANC OPTIONS** (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Jun	CALLS Sep	CALLS Dec	PUTS Jun	PUTS Sep	PUTS Dec
9625	0.22	0.24	0.25	0.05	0.18	0.38
9650	0.06	0.11	0.14	0.14	0.30	0.52
9675	0.02	0.05	0.07	0.35	0.49	0.70

Est. vol. total, Calls 0 Puts 0. Previous day's open int., Calls 1035 Puts 1035

BASE LENDING RATES

	%
Adam & Company	6.75
Allied Trust Bank	6.75
AIB Bank	6.75
●Henry Ansbacher	6.75
Bank of Baroda	6.75
Banco Bilbao Vizcaya	6.75
Bank of Cyprus	6.75
Bank of Ireland	6.75
Bank of India	6.75
Bank of Scotland	6.75
Barclays Bank	6.75
Brit Bk of Mid East	6.75
●Brown Shipley & Co Ltd	6.75
Citibank NA	6.75
Clydesdale Bank	6.75
The Co-operative Bank	6.75
Coutts & Co	6.75
Credit Lyonnais	6.75
Cyprus Popular Bank	6.75
Duncan Lawrie	6.75
Exeter Bank Limited	7.75
Financial & Gen Bank	7.50
●Robert Fleming & Co	6.75
Girobank	6.75
●Guinness Mahon	6.75
Habib Bank AG Zurich	6.75
●*Hambros Bank*	6.75
Heritable & Gen Inv Bk	6.75
●Hill Samuel	6.75
C. Hoare & Co	6.75
Hongkong & Shanghai	6.75
Julian Hodge Bank	6.75
●Leopold Joseph & Sons	6.75
Lloyds Bank	6.75
Meghraj Bank Ltd	6.75
Midland Bank	6.75
* Mount Banking	6.75
NatWestminster	6.75
●Rea Brothers	6.75
* Roxburghe Guarantee Corporation Limited is no longer authorised as a banking institution.	10
Royal Bk of Scotland	6.75
Singer & Friedlander	6.75
●Smith & Williman Secs	6.75
TSB	6.75
●United Bk of Kuwait	6.75
Unity Trust Bank Plc	6.75
Western Trust	6.75
Whiteaway Laidlaw	6.75
Yorkshire Bank	6.75

● Members of London Investment Banking Association
* In administration

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

Provisional Price for Trading on 24.04.95 — Final Prices for Trading on 27.03.95

1/2 hour period ending	Pool purchase price £/MWh	Pool purchase price £/MWh	Pool selling price £/MWh
0030	9.51	8.12	8.12
0100	8.95	8.12	8.12
0130	9.68	8.03	7.13
0200	22.80	8.03	7.13
0230	10.54	7.98	9.06
0300	10.54	7.96	9.06
0330	22.80	7.98	9.06
0400	9.56	7.98	9.05
0430	8.51	8.03	7.13
0500	8.51	8.03	7.13
0530	8.53	8.19	8.19
0600	9.53	8.12	8.12
0630	9.55	8.12	8.12
0700	13.58	8.78	8.78
0730	20.39	15.79	15.79
0800	20.86	10.68	11.60
0830	25.08	11.18	12.31
0900	25.60	17.82	18.80
0930	25.66	12.96	14.24
1000	25.82	14.01	16.42
1030	24.84	18.67	20.17
1100	24.74	18.72	20.22
1130	24.81	18.71	20.20
1200	24.89	18.68	20.17
1230	24.78	18.48	19.91
1300	24.43	13.71	15.03
1330	22.67	12.70	13.90
1400	22.77	12.54	13.68
1430	20.87	17.46	18.58
1500	20.66	11.19	12.32
1530	20.87	11.18	12.30
1600	20.75	11.18	12.31
1630	20.93	11.21	12.35
1700	24.83	11.23	12.37
1730	24.72	9.13	9.13
1800	20.67	15.84	15.84
1830	20.36	8.97	8.97
1900	14.05	8.90	8.90
1930	14.05	8.85	8.85
2000	13.90	13.52	14.62
2030	22.80	8.06	9.17
2100	19.81	13.53	14.63
2130	24.56	8.04	9.15
2200	18.50	13.50	14.60
2230	13.84	8.80	8.80
2300	13.84	8.80	8.80
2330	10.39	8.79	8.79
2400	10.17	8.75	8.75

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £16.86/MWh becomes 1.686p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone 0115 945 6789 between 8:30am and 5:15pm Monday to Friday.
©Energy Settlements and Information Services Limited

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

Provisional Price for Trading on 25.04.95 — Final Prices for Trading on 28.03.95

1/2 hour period ending	Pool purchase price £/MWh	Pool purchase price £/MWh	Pool selling price £/MWh
0030	9.52	8.14	8.14
0100	9.53	8.12	8.12
0130	10.17	8.79	8.79
0200	10.38	13.50	13.50
0230	13.39	8.03	9.18
0300	10.38	13.50	14.66
0330	10.17	8.03	9.18
0400	9.55	13.50	14.65
0430	9.54	8.89	8.89
0500	9.53	8.79	8.79
0530	9.57	15.79	15.79
0600	10.00	8.79	8.79
0630	10.39	8.80	8.80
0700	15.70	15.80	16.80
0730	16.20	8.49	9.78
0800	21.22	15.28	17.08
0830	42.98	17.40	19.51
0900	43.37	18.89	21.38
0930	24.22	19.04	21.51
1000	23.95	19.08	21.58
1030	23.72	18.78	21.28
1100	23.68	18.67	21.38
1130	23.78	20.08	22.86
1200	23.85	20.74	23.84
1230	23.64	19.89	22.54
1300	23.28	17.59	19.75
1330	21.03	14.58	16.20
1400	20.90	10.25	10.25
1430	20.90	23.36	23.36
1500	20.80	9.88	9.88
1530	20.88	16.63	16.63
1600	20.93	14.75	14.75
1630	21.08	18.03	18.03
1700	33.95	16.52	18.52
1730	33.84	16.08	17.95
1800	25.38	14.22	15.81
1830	18.92	13.84	15.11
1900	16.03	22.62	22.62
1930	16.03	9.09	9.08
2000	10.78	10.54	11.78
2030	15.93	11.58	12.80
2100	49.03	11.57	12.78
2130	49.03	11.44	12.81
2200	49.03	10.38	11.53
2230	16.78	22.50	22.60
2300	15.75	8.90	8.90
2330	10.39	15.79	15.79
2400	10.17	8.80	8.80

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £16.86/MWh becomes 1.686p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone 0115 945 6789 between 8:30am and 5:15pm Monday to Friday.
©Energy Settlements and Information Services Limited

LONDON SHARE SERVICE

BANKS, MERCHANT

BANKS, RETAIL

BREWERIES

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

BUILDING MATS. & MERCHANTS - Cont.

CHEMICALS

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

ENGINEERING

ENGINEERING, VEHICLES

EXTRACTIVE INDUSTRIES

FOOD PRODUCERS

GAS DISTRIBUTION

HEALTH CARE

HEALTH CARE - Cont.

HOUSEHOLD GOODS

INSURANCE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

هكذا من الأصل

LONDON SHARE SERVICE

INV TRUSTS SPLIT CAPITAL

INVESTMENT COMPANIES - Cont.

	Notes	Price	+ or -	1995 high	low	Yld Gr's	NAV	Dis or Pm(-)
Korea China Super Fd.		822	-½	844	809¼	-	-	-
Latin Am Extra	♦	323½	-¼	511¼	322¼	33.6	-	-
Lydenburg		217¼		212¾	211¼	2.8	-	-
Mauritius Fund		839½	-¾	918	835	-	-	-
Montgomery Em Cos.		16¼		16¼	10	-	-	-
Oryx Fund		686½	-½	643¼	594	-	-	-
Oryx Wrt		98	—	98	98	-	-	-
Zero Cv Ln '05		98		98	98	-	-	-
Portugal Fd Pf		272	-¼	311½	286½	-	-	-
Prospect Japan Fund		875¼	-½	899¾	572	-	-	-
Warrants		140	-¼	225¾	139¼	-	-	-
Robeco N.V.		840¼xd	—	898½	839¾	3.5	-	-
Sub Pf		407xd	—	408	394	3.8	-	-
Rolinco N.V.		241¼xd	—	241½	238½	1.8	-	-
Sub Pf		412xd	—	417	308	1.9	-	-
Schroder Jap Wrnt		38¼	+7¼	68½	31	-	-	-
Warrants		7¾		12	7¼	-	-	-

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service

LEISURE & HOTELS

OIL EXPLORATION & PRODUCTION - Cont.

OIL, INTEGRATED

OTHER FINANCIAL

LIFE ASSURANCE

MEDIA

OTHER INVESTMENT TRUSTS

INVESTMENT COMPANIES

OIL EXPLORATION & PRODUCTION

OTHER SERVICES & BUSINESSES

PAPER, PACKAGING & PRINTING

PHARMACEUTICALS

PROPERTY

RETAILERS, FOOD

RETAILERS, GENERAL

RETAILERS, GENERAL - Cont.

SPIRITS, WINES & CIDERS

SUPPORT SERVICES

TELECOMMUNICATIONS

TEXTILES & APPAREL

TOBACCO

TRANSPORT

TRANSPORT - Cont.

WATER

AMERICANS

CANADIANS

SOUTH AFRICANS

	Notes	Price	+ or -	1995 high	low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind		£32½	----	£34	£29	2,124	2.4	ϕ
Barlow	♣	98¼	----	98¼	£4⅞	1,216	1.8	22.5
Gold Flds Prop R		144xa	----	152	118	14.7	7.2	ϕ
MK Props.		90	----	95	85	3.82	12.8	-
SASOL	♥	568	----	599	435	3,277	2.4	-
SA Brews	†	£16⅞	+⅛	£17⅞	£12⅞	4,740	1.7	27.3
Tiger Oats		862	----	875	700	1,296	1.7	21.0
Tongaat-Hulett	†‡	743	—	782	636	677.2	1.9	22.5

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by Extel Financial, a *member of the Financial Times Group.*

Company classifications are based on those used for the FT-SE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

☐ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.
• Highs and lows marked thus have been adjusted to allow for capital changes
† Interim since increased or resumed
‡ Interim since reduced, passed or deferred
ϕ Figures or report awaited
♥ Rule 2.1(a)(v) Overseas incorporated companies listed on an approved exchange.
♣ Free annual/interim report available, see details below.
☆ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
‡‡ Rule 4.2(a) Irish incorporated non-listed companies
¶ Price at time of suspension
¶ Indicated dividend yield after pending scrip and/or rights issue.
♦ Merger bid or reorganisation in progress
§ Forecast dividend yield; p/e based on earnings updated by latest interim statement.
♠ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
v P/e ratios are calculated under new ACT guidelines.
z Dividend yield includes a special payment
F Yield based on prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1995.
K Yield based on prospectus or other official estimates for 1994
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1995-96.
R Forecast annualised yield, p/e based on prospectus or other official estimates.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xi ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1275 a year for each security shown, subject to the Editor's discretion

---

FT Free Annual Reports Service

You can obtain the current annual/interim report of any company annotated with ♣. Please quote the code FT9660. Ring 0181-770 0770 (open 24 hours including weekends) or Fax 0181-770 3822. If calling from outside the UK, ring +44 181 770 0770 or fax +44 181 770 3822. Reports will be sent the next working day, subject to availability.

FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stg. Call 0171-873 4378 (+44 171 873 4378, International) for more information on FT Cityline.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

هكذا من الأصل

هكذا من الأصل

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Credis Investment Funds - Contd.

[illegible]

Credit Commercial de France

	Selling Price	Buying Price	+ or -	Yield Gross
Euro Bndr Cos Class A	Ecu14.78		—	-
Euro Bndr Cos Class B	Ecu14.78		—	-

Credit Lyonnais Rouse (Bermuda) Ltd

[illegible]

Merrill Lynch Asset Management - Contd.

	Selling Price	Buying Price	+ or -	Yield Gross
Pacific Equity Portfolio				
Class A	$9.61		[illegible]	-
Class B	$9.56		[illegible]	-
Global SmallCap Portfolio				
Class A	$9.14		[illegible]	-
Class B	$9.12		[illegible]	-
Technology Portfolio				
Class A	$10.19		—	-
Class B	$10.19		—	-

Morgan Stanley Sicav

[illegible]

Murray Universal, Sicav

	Selling Price	Buying Price	+ or -	Yield Gross
American Port Apr 19	$39.37	40.28	—	-
European Port Apr 19	[illegible]	[illegible]	—	-
Japan Port Apr 19	[illegible]	[illegible]	—	-
Pacific Port Apr 19	$19.59	20.59	—	-

NICAM Asia Pacific Umbrella Fund

	Selling Price	Buying Price	+ or -	Yield Gross
Asia-Pacific	$13.90	14.20	—	-
Hong Kong	$12.36	12.66	—	-
Singapore	$14.43	14.73	—	-
Malaysia	$18.44	18.74	—	-
Thailand	$14.40	14.70	—	-
Indonesia	$10.19	10.37	—	-
Philippines	$16.95	17.25	—	-
Oceania	$10.81	11.15	—	-
Korea	$8.70	8.70	—	-

*Price as at Apr 19

Nikko Asia Convertible Bond Fund

	Selling Price	Buying Price	+ or -	Yield Gross
Nikko Asia Conv Bond Nav.	$8.81		—	-

Nikko Bank (Luxembourg) S.A.

	Selling Price	Buying Price	+ or -	Yield Gross
US Index Fd-SICAV NAV.	$11.02		—	-
Euro Index Fd NAV	Ecu11.81		—	-
Currency Fd - Yen Portfolio	Y100.07		—	-
Instadex Alpha Fund				
Portfolio A Shs	$108.71		—	-
Portfolio B Shs	[illegible]		—	-

*Price as at April 18

Nomura Asian Infrastructure Fd SICAV

	Selling Price	Buying Price	+ or -	Yield Gross
NAV	$19.25		+0.09	-

Nomura Rosenberg Alpha Fund Mark II

	Selling Price	Buying Price	+ or -	Yield Gross
Portfolio A: NAV	$16.02			-
Portfolio B: NAV	$22.59		+0.36	-

Pacific Basin Growth Fund

	Selling Price	Buying Price	+ or -	Yield Gross
NAV A Shs	$9.70		+0.01	-
NAV B Shs	$12.03		+0.12	-

Pan-Holding SA

	Selling Price	Buying Price	+ or -	Yield Gross
Pan Holding NAV Apr 12	$349.25		—	-
Pan Holding	$346.82	350.09		

Rosenberg Global Mngt Co SA (u)

	Selling Price	Buying Price	+ or -	Yield Gross
Rosenberg Alpha Fund Global				
Portfolio A : NAV	$12.89		+0.13	-
Portfolio B : NAV	$16.56		+0.18	-

Rosenberg Management SA (u)

	Selling Price	Buying Price	+ or -	Yield Gross
Rosenberg Alpha Fund Yield				
Portfolio A: NAV	$10.31			-
Portfolio B: NAV	$15.73		-0.03	-

Rosenberg US Japan Mngmt Co SA (u)

	Selling Price	Buying Price	+ or -	Yield Gross
Rosenberg Alpha Fund US Japan				
Portfolio A: NAV	$11.75		-0.08	-
Portfolio B: NAV	$15.74		+0.07	-

Edmond de Rothschild Group

[illegible]

"WINTERTHUR" Fund Mngmt Co (Lux) SA

[illegible]

World Bond Fund-SICAV (z)

	Selling Price	Buying Price	+ or -	Yield Gross
World Bond Fund	$34.04	35.85	+0.16	0.00

for Ad Warburg Asset Mngt London

World Trust Fund

	Selling Price	Buying Price	+ or -	Yield Gross
Shares NAV	$14.53		—	-

OFFSHORE INSURANCES

AXA Equity & Law Intl Life Assce Co

Victory Hse, Prospect Hill, Douglas, IoM 01624 677877

	Selling Price	Buying Price	+ or -	Yield Gross
Distribution Fund-Deferred	48.6		+0.2	
Distribution Fund-Quarterly	47.8		+0.2	
Distribution Fund- Half Yearly	47.4		+0.2	
European Equity	117.4	126.2	+0.6	-
Far Eastern Equity	$1.866	2.005	-0.009	-
North American Equity	$1.185	1.274	+0.008	-
UK Equity	135.1	145.2	+0.9	-
UK Gilt & Fixed Int	103.0	110.7	+0.2	-
Dollar Deposit	$0.705	0.758	—	-
Sterling Deposit	99.4	106.8	+0.1	-
Managed Currency	75.7	81.3	+0.5	-
International Managed	121.4	130.5	+0.5	-
Pension Managed	77.7	83.5	+0.4	-
Global Accumulation	$0.432	0.464	-0.001	-

Albany International Assurance Ltd

[illegible]

Allied Dunbar International Assce Ltd (z)

[illegible]

CMI Insurance Co Ltd

[illegible]

Century Life International

[illegible]

Eagle Star Intl Life

[illegible]

Equitable Life (International)

[illegible]

Eurolife Assurance Group

[illegible]

Friends Provident International

[illegible]

Hansard International Ltd.

[illegible]

Isle of Man Assurance Ltd

[illegible]

Lakrow International Group

[illegible]

Old Mutual International

[illegible]

Providence Capitol Intl

[illegible]

PanEurolife société anonyme

[illegible]

Professional Investment Consultants

[illegible]

Royal Life International

[illegible]

Royal Skandia Life Assurance Ltd (z)

[illegible]

Scottish Provident Intl Life Ass Ltd

[illegible]

Sun Alliance International Life

PO Box 77, Les Echelons Ct, St Peter Port, Gsey 01481 714108

	Selling Price	Buying Price	+ or -	Yield Gross
North American Equity £	£14.27	15.35	—	-
Pacific Equity £	£10.65	11.27	—	-
Intl Bond Fund £	£9.27	10.30	—	-
Gilt Fund £	£8.47	9.50	—	-
US Dollar Mngd Fd $	$2.61	2.74	—	-
Stlg Managed Fd £	£1.47	1.55	—	-

Sun Life International (IOM) Ltd

Bridge House, Castletown, Isle of Man

Tel: 44 (0) 1624 825000 Fax: 44 (0) 1624 828919

Prices Line: 44 (0) 1624 824740

	Selling Price	Buying Price	+ or -	Yield Gross
Aggressive Managed	£1.190		—	-
Balanced Managed	£1.083		—	-
Cautious Managed	£1.101		—	-
Sterling Income	£1.116		—	-
Sterling Guaranteed Money	£1.139		—	-
[illegible]	£1.145		—	-

OTHER OFFSHORE FUNDS

ATSP Management Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Philippine Long Term Equity				
NAV Mar 31	$34.80		—	-

Abtrust Fund Mngrs (Guernsey) Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
The New Asia Fund Ltd				
NAV US$ (diluted) Apr 19	$11.78		—	-
NAV US$ (undiluted) Apr 19	$12.17		—	-

Acciones y Valores de Mexico SA de CV

	Selling Price	Buying Price	+ or -	Yield Gross
Acchal Apr 20	MXN37.300		+1.580	-

Adig Investment

	Selling Price	Buying Price	+ or -	Yield Gross
Adiranta	DM22.44	23.11	+0.02	-
Adiverba	DM139.69	146.68	—	-
Fondak	DM67.61	71.30	—	-
Fondis	DM58.29	61.19	—	-

Asina Malaysian Growth Fd (Cayman) Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
NAV Apr 10	$14.0700		—	-

Alliance Capital

[illegible]

Capital International

[illegible]

Global Asset Management - Contd.

[illegible]

Malaysia Fund (Labuan)

[illegible]

Rosenwald, Rodiff & Co Ltd

[illegible]

Schroder Investment Management Limited

[illegible]

Taipei Fund

[illegible]

Taiwan Opportunities Fund Ltd

[illegible]

The Thai-Euro Fund Ltd

[illegible]

The Thai Prime Fund Limited

[illegible]

The Thailand Fund

[illegible]

The Thailand Growth Fund

[illegible]

The Thailand Intl Fund Ltd

[illegible]

Thames Currency Funds

[illegible]

Thornton Management Ltd

[illegible]

Thornton Capital Management

[illegible]

Tokai Global Funds Group

[illegible]

Triumph Global Hedge Ltd

[illegible]

Ultra Cerberus Fund Ltd

[illegible]

Ultra China Fund

[illegible]

Ultra Futures Fund Ltd

[illegible]

Ultra Sector Fund Ltd

[illegible]

Value Partners 'A' Fund

[illegible]

Vista-Tec Investment Mngmt (Jersey) Ltd

[illegible]

The Vietnam Frontier Fund

[illegible]

The Vietnam Fund Ltd

[illegible]

WW Capital Growth Fund

	Selling Price	Buying Price	+ or -	Yield Gross
NAV Mar 31	$955.91		—	-

Wellington Fd Mngrs (Bermuda) Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Intnl Growth Fd	$14.98	15.73	+0.15	-

Wells Fargo U.S. IT Fund

	Selling Price	Buying Price	+ or -	Yield Gross
Wells Fargo A Shs (z)	$12.97		+0.04	-
Wells Fargo B Shs (z)	$16.46		+0.14	-

Worldwide Limited

	Selling Price	Buying Price	+ or -	Yield Gross
NAV Mar 31	$99.05		—	-

Xiphias International Investment Fd Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Xiphias Global Growth	$9.81		—	-
Xiphias Int ECU Acc	Ecu1.2089		—	-
Xiphias Int ECU Dis	Ecu1.0529		—	-

Yamaichi Capital Management (Guernsey) Ltd

	Selling Price	Buying Price	+ or -	Yield Gross
Thai Inv Fund	$18.57		—	-

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars.
Yields % allow for all buying expenses.
Prices of certain older insurance linked plans subject to capital gains tax on sales.
(**) Funds not SIB recognised. The regulatory authorities for these funds are:
Guernsey - Financial Services Commission
Ireland - Central Bank of Ireland
Isle of Man - Financial Supervision Commission
Jersey - Financial Services Department
Luxembourg - Institut Monétaire Luxembourgeois.
Initial charge - Charge made on sale of units.
Selling price - Bid or redemption price.
Buying price - Offer or issue price.
Time - The time shown alongside the fund manager's name is the time of the fund's valuation point unless indicated by one of the following symbols:
(♥) - 0001 to 1100 hours
(♦) - 1101 to 1400 hours
(▲) - 1401 to 1700 hours
(♣) - 1701 to midnight
E - Exit charge on sale of units.
C - Manager's periodic charge deducted from capital.
H - Historic pricing F - Forward pricing
h - Distribution free of UK taxes.
p - Periodic premium insurance plans.
s - Single premium insurance.
u - Designated as a UCITS (Undertakings for Collective Investment in Transferable Securities).
x - Offered price includes all expenses except agent's commission.
z - Previous day's price.
GG - Guernsey gross.
♦ - Yield before Jersey tax.
† - Ex-subdivision.
‡ - Only available to charitable bodies
Φ - Yield column shows annualised rates of NAV increase.
xd - Ex-dividend.

MARKET REPORT

FT-SE 100 Index regains 3,200 in late upswing

By Terry Byland,
UK Stock Market Editor

The UK stock market managed a surprising turnround yesterday, closing solidly above the 3,200 mark on the FT-SE 100 Index after falling sharply in early trading. Dealers could identify no reason for the late upswing, other than a better trend in the US dollar and a strong buy programme in UK equities.

The dollar was helped by hopes of progress at the meeting of G7 ministers which opens in Washington today. Sentiment in London was also encouraged by the comment from the newly appointed deputy governor of the Bank of England that there was no need for UK interest rates "to rise yet".

The final reading on the FT-SE 100 Index of 3,209.3 showed a gain on the day of 9.4 points. In early trading, when currency markets were unsettled by reaction in European bond markets to the unexpected victory of the Socialist candidate in the first round of the French presidential elections, the FT-SE 100 dropped by more than 33 points. The late recovery in London stocks was led by a rally in UK bond futures, which also trimmed initial falls in government bonds.

UK stocks found some support from a rally in the Dow Jones Industrial Average, which trimmed its fall to 1.73 points in London trading hours.

Dealers stressed that equity business volumes had been light in London and that international investors appeared unwilling to deal ahead of this week's G7 meeting. The meeting offers another opportunity to solve the currency problems, which have remained unresolved in spite of the economic and financial package in Tokyo and successive bouts of support for the US dollar by the central banks.

Seaq volume totalled only 530m shares, against 676.1m on Friday. Business was focused around the Footsie list, with the rest of the market left lagging behind. The FT-SE Mid 250 Index shared in the general weakness at the opening of the London market, when Wall Street's peak ahead of the weekend was ignored in London. But the Mid 250 failed to join in the late rally in UK blue chips and ended 7.3 off at 3,497.8. Trading in non-Footsie stocks made up some 60 per cent of the day's business, higher than the average for last week.

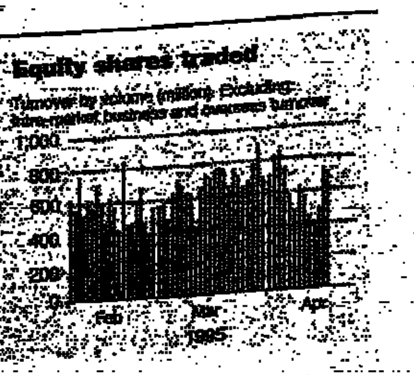
The clutch of trading programmes around midsession – although not reported until later in the day – prompted a decisive swing in the market. Although some traders warned that yesterday's market was tightly poised ahead of the G7 meeting, and therefore easily swayed either way by genuine investment business, there was a brighter feeling at the close.

Good news on the dollar from the G7 ministers would imply a rally for the pound, which has been hurt on the cross rates by the fall in the US currency. Markets were untroubled yesterday by news of a 1.4 per cent growth in UK money supply in March. The figures were believed to have been distorted by the financing of the Glaxo bid for Wellcome.

Any action to promote a recovery in the dollar by the Group of Seven ministers could benefit sterling, which has suffered on the European cross rates from the slide in the US currency.


FT-SE-A All-Share Index

Source: FT Graphite 1995


Equity shares traded
Turnover by volume (million). Excluding: intra-market business and overseas turnover

Indices and ratios

FT-SE 100	3209.3	+9.4
FT-SE Mid 250	3497.8	-7.3
FT-SE-A 350	1592.3	+2.9
FT-SE-A All-Share	1571.79	+2.64
FT-SE-A All-Share yield	4.07	(4.08)
FT Ordinary index	2434.5	-1.4
FT-SE-A Non Fins p/e	17.28	(17.25)
FT-SE 100 Fut Jun	3217.0	+3.0
10 yr Gilt yield	8.66	(8.65)
Long gilt/equity yld ratio:	2.09	(2.09)

Best performing sectors

1	Pharmaceuticals	+1.7
2	Other Ser & Bus	+0.9
3	Tobacco	+0.8
4	Consumer Goods	+0.8
5	Banks, Merchant	+0.7

Worst performing sectors

1	Electronic & Elec	-1.3
2	Transport	-0.7
3	Insurance	-0.7
4	Extractive Inds	-0.7
5	Household Goods	-0.5

Financial merger alert

The whiff of an imminent deal involving Abbey National, the building society turned bank, saw the shares make determined progress throughout the session and post the day's second biggest gain in the FT-SE 100 list. At the close Abbey was 11 firmer at 480p and within sight of the all-time high of 490p reached earlier this month.

After the market closed, Abbey revealed that it was seeking to open takeover/merger talks with the National & Provincial Building Society in a move which could create the UK's second biggest mortgage lender, after the soon-to-be-merged Halifax/Leeds combination.

Dealers said the market had already anticipated an expansion move by Abbey and that a merger with such a powerful outfit as National & Provincial would be seen as a positive step. "The only problem would be price," said one banking specialist.

He said Abbey would have to pay a hefty premium to net assets to win over N&P. "With Lloyds buying Cheltenham and Gloucester and Halifax merging with Leeds, there are not any more really big building societies left; Abbey will have to pay up," the analyst added.

A combined Abbey/N&P would have a UK mortgage market share of 17 to 18 per cent, second only to Halifax/Leeds' 27 per cent share.

TSB wanted

TSB staged a good late rally after an initial decline as some dealers took the view that the bank would also soon embark on an expansion programme, possibly involving the acqusition of a building society.

It was also suggested that the bank could attract the attentions of a predator keen to acquire the TSB's huge and loyal customer base. The shares settled marginally higher at 243½p, having dipped to 240p early in the session.

Glaxo triumphs

Pharmaceuticals leader Glaxo climbed 19 to 735p, outstripping most other members of the FT-SE 100, after announcing victory in a key patent battle. The revised version of Zantac, its big turnover ulcer treatment, had been challenged by Novopharm, of Canada. Glaxo also reminded investors that it would be able to extend the patent on its classic, Form 1 version because of changes in the Gatt trade treaty.

The Merrill Lynch pharmaceuticals team, which has been a staunch supporter of the company, reiterated its enthusiasm yesterday. Analyst Mr James Culverwell said that, although most analysts had already factored a successful outcome into forecasts, the removal of uncertainty would be helpful. It added that the share price would be "underpinned by integration and cost savings news flow" following the Wellcome takeover.

However, some analysts were reminding clients that pressures on Zantac, which represents around two thirds of Glaxo profits, would only increase in the future. The Form 1 patent expires in two years and the revised form in seven years. Volume, boosted by US buying, topped 10m.

Telegraph active

Telegraph, the newspaper group, hit 433p at one stage on Sunday newspaper speculation that Mr Conrad Black, the Canadian owner, was poised to carry out his plan to buy the shares not already owned and to pay between 500p and 510p apiece. The move has been flagged for some time but interest was revived by comments at the company's annual meeting last week. Hollinger, Mr Black's parent company, currently owns 58.5 per cent of the Telegraph. The shares finished 4 higher at 427p.

United Newspapers, the owner of the Daily and Sunday Express, slid 8 to 491p on consideration of comments last week from Mirror Group Newspapers that the tough conditions within the newspaper industry would continue. Mirror closed flat at 135p. Mercury Asset Management announced that it had reduced its stake to 13.9 per cent from 14.8 per cent.

First-quarter results from the US oil majors, notably Mobil and Exxon, were up to best expectations and triggered another wave of support for the UK oil stocks. A mixture of local and overseas buying interest drove BP up 3½ to a record 454½p, but Shell lagged behind, closing only a fraction ahead at 729½p.

Melrose Energy was the pick of the small oils, the shares moving up 2 to 27p after impressive interim results and news of a gas discovery in Wyoming. The warrants jumped 2¼ to 7p.

Cray Electronics was the market's biggest casualty, the shares almost halving and closing a net 76 lower at 79p after the group shocked the market with a profits warning.

Takeover candidate Medeva improved 7 to 254½p on weekend comment surrounding the mooted move by Fisons. The latter hit back at reports that it was prepared to pay 300p a share, saying they were mere speculation. Fisons closed a penny off at 178p.

SmithKline Beecham rose 2 to 494p on the back of a solid agm statement. Also, Williams de Broe issued a positive post-results note which hit fund managers' desks yesterday.

The firm market trend helped Cadbury Schweppes recover from an early retreat prompted by a note from NatWest Securities advising investors to reduce holdings. The shares ended a penny ahead at 437p on turnover of 1.1m.

The recommendation is based on its view of the group's Dr Pepper/Seven-Up acquisition made earlier this year.

Associated British Foods tumbled 16 to 638p, making it the day's worst performer among FT-SE 100 constituents, after it published interim figures showing a 4 per cent decline in profits to £173m.

The company warned of pressures on profit margins due to increasing manufacturing costs and a resistance to price increases.

Hillsdown Holdings added 3 at 182p after the group said it would receive a total of £303.7m from the sale of its 56.1 per cent holding in Canadian group Maple Leaf Foods. Sentiment was further boosted by a NatWest Securities buy recommendation.

Nervous trading ahead of today's final figures from Sears saw the shares ease a penny to 103p in strong volume of 6.1m.

Inchcape, the international trading group which has been hit by a string of profit warnings, streaked to the top of the Footsie performance charts following a move from "hold" to "buy" at James Capel.

The big agency broker stressed that it is taking the long view, however. It is looking for a recovery to around 400p sometime in 1996 on the back of improved Far Eastern economies and a less negative yen-sterling exchange rate. The shares jumped 10 to 319p in 3.3m turnover, compared with a 1995 peak of 430p.

Better than expected interim profits and dividend from plastics and metals group McKechnie pushed the shares forward by 6¾ to 425½p.

Diversified industrial Williams Holdings dipped 8 to 331p in modest 1.4m-share turnover following news of a $48m fire protection acquisition in the US.

FINANCIAL TIMES EQUITY INDICES

	Apr 24	Apr 21	Apr 20	Apr 19	Apr 18	Yr ago	*High	*Low
Ordinary Share	2434.5	2435.9	2421.4	2419.5	2434.0	2477.9	2454.1	2238.3
Ord. div. yield	4.34	4.35	4.37	4.37	4.34	4.02	4.73	4.31
P/E ratio net	16.56	16.55	16.45	16.46	16.57	19.60	21.33	16.45
P/E ratio nil	16.49	16.47	16.37	16.39	16.49	20.52	22.21	15.77

*For 1995. Ordinary Share index since compilation: high 2713.6 2/02/94; low 49.4 26/6/40
FT Ordinary Share index base date 1/7/35.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2434.7	2427.6	2416.9	2416.1	2422.1	2419.6	2419.5	2421.6	2431.8	2435.0	2414.5

	Apr 24	Apr 21	Apr 20	Apr 19	Apr 18	Yr ago
SEAQ bargains	22,768	24,791	21,361	20,557	20,625	26,941
Equity turnover (£m)†	-	1472.9	1904.2	1252.4	1041.5	1667.7
Equity bargains†	-	38,854	33,477	30,439	32,073	40,313
Shares traded (ml)†	-	719.6	760.1	499.2	417.7	724.3

†Excluding intra-market business and overseas turnover.

■ **London market data**

Rises and falls*		1995 Highs and lows		LIFFE Equity options	
Total Rises	565	Total Highs	159	Total contracts	20,976
Total Falls	619	Total Lows	49	Calls	10,176
Same	1,680			Puts	10,800

April 24. *Data based on Equity shares listed on the London Share Service.

FUTURES AND OPTIONS

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point (APT)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	3220.0	3217.0	+3.0	3222.0	3182.0	13786	70014
Sep	-	3238.0	+2.0	-	-	0	1821
Dec	-	3268.0	+3.0	-	-	0	160

■ FT-SE MID 250 INDEX FUTURES (LIFFE) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Jun	3520.0	3515.0	-10.0	3520.0	3520.0	2	4236

■ FT-SE 100 INDEX OPTION (LIFFE) (*3209) £10 per full index point

	3050		3100		3150		3200		3250		3300		3350		3400	
	C	P	C	P	C	P	C	P	C	P	C	P	C	P	C	P
May	169	5½	124½	10	83	19	48½	36	25½	64½	11	102	4½	148	1½	198
Jun	179	14	139	23½	108	37½	73½	58	48½	84	30½	116½	17	154½	9	199
Jul	206	29	168	41	130½	58½	104½	77	79	102	57	131	41	168½	26½	205½
Aug	217½	37½	181	50	148½	66	119	88	95	114	73½	142½	57	177½	41	215½
Dec†			246½	91½			185	128½			138	181			87	242

Calls 3,621 Puts 4,306

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	3025		3075		3125		3175		3225		3275		3325		3375	
May	190	3½	143½	7½	101½	14½	63	26	35	48	16½	79½	6½	119	2	164½
Jun	203	13	161½	21	122	32	89	47½	61	69	38	95½	21½	128½	11	167
Jul	224	22½	185	32½	149	45½	116	63½	90	85½	67½	111½	48½	142	34½	177
Sep	250½	43			179½	68½			118½	106			72	157		
Dec†	300	67½			233	96			174	133			122½	177		

Calls 1,349 Puts 1,187 * Underlying index value. Premiums shown are based on settlement prices.
† Long dated expiry months.

MARKET REPORTERS:
Steve Thompson,
Peter John, Joel Kibazo,
Jeffrey Brown.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1995 High	1995 Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
170	F.P.	74.1	171	171	Biocompatibles Int'l	171		-	-	-	-
-	P.P.	128.3	702	689	Brit Aero Cap Uts	701	-1	-	-	-	-
60	F.P.	9.68	63	61	Coral Products	63		b-	-	-	9.5
§128	F.P.	15.5	135	128	Dailywin	129	+1	Rv6.0	2.2	5.8	6.7
§130	F.P.	52.1	156	136	Datrontech	155		-	-	-	17.8
100	F.P.	20.0	101	100	F&C SUIT Units	100		-	-	-	-
100	F.P.	29.4	101	98	Geared Inc Inv C	98		-	-	-	-
•476	170	6,192.1	193	158½	*Natl Power (P/P)	177	-1	F15.45	2.6	4.0	13.2
90	F.P.	18.2	98	90	PTS	98		L3.6	1.9	4.7	13.9
512	185	4,059.4	206	176½	*PowerGen (P/P)	190	-1	F15.0	3.2	3.8	11.2
125	F.P.	18.8	128	125	Precoat Int'l	128		R4.2	2.5	4.1	12.3
270	F.P.	73.2	318	302	Rainford	307	-9	R5.0	2.9	2.0	18.1
-	F.P.	81.5	104½	103	Schroder Inc. Gth	103		-	-	-	-
-	F.P.	4.75	30	28	Do. Warrants	30		-	-	-	-
100	F.P.	23.3	99	95	Scott Or Smir Cos	98½		-	-	-	-
-	F.P.	0.04	1600	5	Superframe Wts	7		-	-	-	-
97	F.P.	43.3	158	133	Vision	140	-5	-	-	-	-

* Note: Issue price 10p higher for institutional and overseas investors.

FT GOLD MINES INDEX

	Apr 21	% chg on day	Apr 20	Apr 19	Year ago	Gross div yield %	52-week High	52-week Low
Gold Mines Index (34)	1974.13	-0.8	1989.30	2041.58	1773.72	2.11	2337.98	1637.91
■ Regional Indices								
Africa (16)	2738.40	-1.8	2783.36	2870.02	2441.86	4.82	3711.87	2365.52
Australasia (7)	2437.72	-3.8	2532.73	2548.61	2332.67	1.82	2851.49	1788.20
North America (11)	1687.92	+0.4	1681.48	1729.17	1498.57	0.81	1911.21	1348.18

Copyright, The Financial Times Limited 1995. † Partial.
Figures in brackets show number of companies. Basis US Dollars. Base Values: 1000.00 31/12/92.
Latest prices were unavailable for this edition.

FT - SE Actuaries Share Indices — The UK Series

	Apr 24	Day's chge%	Apr 21	Apr 20	Apr 19	Year ago	Div. yield%	Net cover	P/E ratio	Xd adj. ytd	Total Return
FT-SE 100	3209.3	+0.3	3199.9	3174.7	3170.1	3106.1	4.25	1.92	15.33	51.80	1245.96
FT-SE Mid 250	3497.8	-0.2	3505.1	3489.3	3482.6	3767.6	3.70	1.79	18.89	44.08	1334.65
FT-SE Mid 250 ex Inv Trusts	3507.3	-0.2	3515.4	3500.0	3492.7	3783.3	3.84	1.85	17.61	46.02	1337.30
FT-SE-A 350	1592.3	+0.2	1589.4	1578.1	1575.6	1579.5	4.13	1.89	16.00	24.44	1263.89
FT-SE-A 350 Higher Yield	1608.4	+0.3	1604.1	1591.1	1586.6	1583.0	5.06	1.68	14.73	32.04	1054.12
FT-SE-A 350 Lower Yield	1575.5	+0.1	1574.3	1565.0	1564.9	1536.6	3.03	2.32	17.81	16.40	1048.82
FT-SE SmallCap	1749.87	……	1749.59	1744.29	1742.63	1933.20	3.46	1.59	22.68	21.84	1385.28
FT-SE SmallCap ex Inv Trusts	1726.40	……	1726.06	1721.08	1719.81	1909.76	3.68	1.66	20.47	22.52	1372.06
FT-SE-A ALL-SHARE	1571.79	+0.2	1569.15	1558.49	1556.15	1571.74	4.07	1.87	16.37	23.78	1268.50

■ **FT-SE Actuaries All-Share**

	Apr 24	Day's chge%	Apr 21	Apr 20	Apr 19	Year ago	Div. yield%	Net cover	P/E ratio	Xd adj. ytd	Total Return
10 MINERAL EXTRACTION(24)	2802.70	+0.2	2796.37	2763.86	2741.29	2654.41	3.67	1.75	19.47	52.95	1164.10
12 Extractive Industries(7)	3668.33	-0.7	3693.64	3694.37	3726.17	3800.91	3.84	1.96	16.59	91.94	1038.79
15 Oil, Integrated(3)	2808.36	+0.5	2795.74	2759.07	2727.24	2590.75	3.77	1.79	18.63	50.43	1181.75
16 Oil Exploration & Prod(14)	2026.78	-0.1	2028.86	1986.31	1966.39	2056.53	2.44	0.43	80.00†	31.57	1192.43
20 GEN INDUSTRIALS(279)	1868.85	-0.2	1872.50	1865.60	1868.91	2106.09	4.20	1.63	18.24	29.46	976.88
21 Building & Construction(38)	952.29	-0.5	956.94	959.23	964.87	1339.80	4.17	1.89	15.86	17.37	786.74
22 Building Matls & Merchs(31)	1731.60	-0.2	1735.04	1720.44	1727.75	2123.49	4.27	1.88	15.55	27.71	837.24
23 Chemicals(22)	2283.35	-0.4	2291.91	2278.92	2285.88	2492.85	4.14	1.38	21.84	33.48	1036.29
24 Diversified Industrials(18)	1835.31	+0.1	1832.88	1827.54	1832.29	2083.59	5.20	1.45	16.54	40.72	972.23
25 Electronic & Elect Equip(37)	1932.20	-1.3	1957.40	1958.90	1972.14	2069.11	3.78	1.92	17.21	13.10	961.24
26 Engineering(72)	1835.98	+0.1	1834.91	1826.03	1822.59	1969.39	3.37	1.91	19.46	21.26	1071.12
27 Engineering, Vehicles(13)	2188.70	-0.3	2194.86	2194.39	2189.60	2490.50	4.18	0.29	80.00†	47.72	1095.31
28 Paper, Pckg & Printing(27)	2822.23	+0.2	2815.33	2800.45	2788.13	2926.75	3.38	2.31	15.99	37.94	1132.88
29 Textiles & Apparel(21)	1564.83	-0.3	1569.87	1568.66	1565.74	1804.06	4.51	1.28	21.69	26.92	911.84
30 CONSUMER GOODS(94)	3032.42	+0.8	3009.49	2990.34	2984.77	2685.96	4.28	1.63	17.93	52.92	1073.28
31 Breweries(18)	2265.86	+0.1	2264.13	2253.35	2251.01	2296.77	4.23	2.00	14.80	12.19	1038.19
32 Spirits, Wines & Ciders(10)	2750.92	+0.2	2746.55	2720.94	2714.80	2940.32	4.22	1.83	16.19	54.52	949.10
33 Food Producers(24)	2417.28	+0.3	2410.69	2400.08	2400.21	2323.03	4.20	1.96	15.22	51.64	1050.98
34 Household Goods(10)	2438.98	-0.5	2451.24	2440.60	2445.48	2637.42	3.77	0.86	38.30	50.32	901.69
36 Health Care(18)	1704.29	-0.5	1712.85	1706.61	1709.67	1707.33	3.04	1.07	38.59	9.19	1000.89
37 Pharmaceuticals(12)	3815.88	+1.7	3750.90	3748.44	3749.48	2575.50	4.07	1.33	23.18	49.48	1241.19
38 Tobacco(2)	3913.63	+0.8	3881.52	3778.86	3722.82	3720.56	5.79	1.63	13.22	131.29	926.26
40 SERVICES(228)	1940.55	+0.1	1938.45	1927.74	1926.08	2032.38	3.37	2.10	17.70	22.81	973.42
41 Distributors(32)	2419.18	+0.7	2403.21	2400.10	2394.82	3048.22	3.95	1.94	16.32	41.11	860.47
42 Leisure & Hotels(29)	2187.38	+0.2	2183.37	2169.15	2158.49	2259.65	3.52	1.58	22.47	35.29	1103.02
43 Media(43)	2864.11	……	2865.01	2848.52	2848.06	3131.18	2.73	2.28	20.04	47.53	1014.31
44 Retailers, Food(16)	1890.65	+0.2	1886.20	1876.22	1859.02	1511.94	3.57	2.48	14.16	17.14	1151.56
45 Retailers, General(44)	1619.50	+0.5	1612.06	1605.02	1611.09	1753.41	3.38	2.12	17.47	10.92	887.56
48 Support Services(37)	1526.00	-0.2	1529.79	1515.49	1515.27	1644.63	2.81	2.45	18.14	13.59	943.23
49 Transport(21)	2190.93	-0.7	2206.89	2192.33	2199.15	2511.61	3.92	1.91	16.67	29.32	876.96
51 Other Services & Business(7)	1214.90	+0.9	1204.46	1204.46	1204.46	1145.48	3.71	1.22	27.56	10.90	1063.78
60 UTILITIES(37)	2327.79	……	2328.17	2305.65	2295.71	2271.01	4.67	1.93	13.85	6.85	917.16
62 Electricity(17)	2222.46	-0.4	2230.71	2210.11	2201.55	2127.47	4.60	2.87	10.19	19.89	951.11
64 Gas Distribution(2)	2032.20	……	2032.82	2016.58	1990.98	1978.85	5.90	0.65	32.49	0.00	954.51
66 Telecommunications(5)	2005.75	+0.2	2002.06	1974.08	1966.61	2015.93	4.06	1.69	18.18	0.13	870.55
68 Water(13)	1843.43	+0.1	1841.65	1844.47	1848.42	1739.26	5.43	2.73	8.42	4.62	939.98
69 NON-FINANCIALS(663)	1696.62	+0.2	1693.52	1682.28	1679.19	1702.62	4.03	1.79	17.28	22.93	1228.80
70 FINANCIALS(118)	2268.93	+0.1	2263.87	2246.00	2246.12	2189.98	4.66	2.31	11.59	58.44	928.95
71 Banks, Retail(9)	3047.46	+0.4	3036.32	3002.73	3000.03	2741.15	4.50	2.92	9.53	86.03	945.87
72 Banks, Merchant(8)	3187.64	+0.7	3165.03	3153.43	3141.94	2842.79	3.63	2.54	13.53	91.67	878.19
73 Insurance(26)	1248.41	-0.7	1257.35	1252.22	1250.32	1320.96	5.69	1.66	13.25	34.09	888.25
74 Life Assurance(6)	2498.42	+0.2	2492.29	2480.15	2481.84	2488.55	5.44	1.38	17.29	91.02	1002.49
77 Other Financial(23)	1972.06	-0.5	1981.86	1977.22	1976.29	1888.64	3.91	2.31	13.85	22.91	1078.51
79 Property(46)	1338.93	……	1339.05	1333.72	1344.15	1628.17	4.49	1.18	23.54	12.77	784.19
80 INVESTMENT TRUSTS(133)	2654.87	……	2655.57	2641.09	2638.45	2638.70	2.40	1.02	50.88	20.58	904.12
89 FT-SE-A ALL-SHARE(914)	1571.79	+0.2	1569.15	1558.49	1556.15	1571.74	4.07	1.87	16.37	23.78	1268.50
FT-SE-A Fledgling	989.20	……	988.94	966.56	966.59	-	3.10	1.15	35.19	9.85	979.12
FT-SE-A Fledgling ex Inv Trusts	964.46	……	964.04	962.33	962.16	-	3.28	1.18	32.38	10.38	974.82

■ **Hourly movements**

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	3199.8	3191.8	3181.5	3181.1	3188.7	3185.8	3186.0	3190.7	3206.0	3209.3	3176.3
FT-SE Mid 250	3502.5	3500.4	3494.1	3494.1	3494.2	3494.1	3494.4	3494.3	3497.1	3502.9	3493.0
FT-SE-A 350	1589.1	1585.6	1581.2	1581.0	1584.0	1582.9	1582.9	1584.8	1590.9	1592.3	1579.2

Time of FT-SE 100 Day's high: 4.30pm Day's low: 9.42am. FT-SE 100 1994 High: 3210.9 (7/4) Low: 2954.2 (23/1).

■ **FT-SE Actuaries 350 Industry baskets**

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	Change
Bldg & Cnstrcn	935.2	934.4	931.9	931.6	930.4	930.9	930.9	930.4	930.5	931.0	937.7	-6.7
Pharmaceuticls	3759.6	3746.2	3730.9	3737.6	3748.1	3741.3	3743.4	3763.7	3782.4	3784.4	3719.0	+65.4
Water	1836.1	1836.7	1834.0	1834.8	1834.8	1834.8	1834.8	1836.1	1836.1	1836.7	1834.8	+1.9
Banks, Retail	3072.5	3064.5	3057.4	3057.1	3070.6	3065.0	3064.2	3071.4	3084.6	3086.3	3075.1	+11.2

Additional information on the FT-SE Actuaries Share Indices is published in Saturday issues. Lists of constituents are available from The Financial Times Limited, One Southwark Bridge, London SE1 9HL. The FT-SE Actuaries Share Indices Service, which covers a range of electronic and paper-based products relating to these indices, is available from FINSTAT, Fitzroy House, 13-17 Epworth Street, London EC2A 4DL.
The FT "500" has been renamed FT-SE-A Non-Financials Index. The FT-SE 100, the FT-SE Mid 250, FT-SE Actuaries 350 and the FT-SE Actuaries Industry baskets are calculated by the International Stock Exchange of the United Kingdom and Republic of Ireland and the FT-SE Actuaries All-Share Index is compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules. © The International Stock Exchange of the United Kingdom and Republic of Ireland Limited 1995. © The Financial Times Limited 1995. All rights reserved. "FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited. The FT-SE Actuaries Share Indices are audited by The WM Company.
† Sector P/E ratios greater than 80 and net covers greater than 30 are not shown. ‡ Values are negative. DELETION: Wills (Fledgling)

TRADING VOLUME

■ **Major Stocks Yesterday**

	Vol. 000s	Closing price	Day's change
3i†	259	341	
ASDA Group†	4,700	79¾	+¼
Abbey National†	3,400	480	+11
Albert Fisher	1,400	44	
Allied Domecq†	1,700	580½	-½
Anglian Water	230	491	-
Argos	520	401	+7
Argyll Group†	5,400	267½	+½
Arjo Wiggins†	1,200	256	
Assoc. Brit. Foods†	405	638	-16
Assoc. Brit. Ports	4,000	282	+2
BAA†	1,200	479	-2
BAT Inds.†	2,900	480	+4
BET	912	118	+1
BICC	924	312	-2
BOC†	928	734	+1
BP†	6,300	454½	+3½
BPB Inds.	2,100	289	
BT†	11,000	394½	+½
BTR†	5,800	331	-1½
Bank of Scotland†	2,200	221	+2
Barclays†	2,900	639	+5
Bass†	896	542	-3
Blue Circle†	1,300	292	
Booker	515	399	+1
Boots†	1,500	509	+8
Bowater†	604	447	+3
Brit. Aerospace†	693	514	-1
British Airways†	3,400	401	-7
British Gas†	4,100	307½	
British Land	797	368	-2
British Steel†	6,200	160	+1
Bunzl	452	184	+1
Burmah Castrol†	117	871½	-1½
Burton	5,600	79¾	+¼
Cable & Wire†	2,200	408½	-1½
Cadbury Schweppes†	1,100	437	+1
Caradon†	648	234	-1
Carlton Comms.†	688	919	
Coats Viyella	1,200	194½	-1½
Comm. Union†	1,400	647	+2
Cookson	169	219	+2
Courtaulds†	463	447½	-8½
Dalgety	1,200	401	-2
De La Rue†	452	903	+5
Dixons	3,200	244	+3½
Eastern Elect.†	399	631	-1
East Midland Elect.	386	664	-6
Electrocomps	67	335	-3
Eng China Clays	1,100	395	+5
Enterprise Oil†	1,200	409	+1
Eurotunnel Units	351	189	-4
FKI	189	150	
Fisons	217	178	-1
Foreign & Col. I.T.	475	133½	-½
Forte†	3,100	230	+½
Gen. Accident†	894	596	-5
General Elect.†	3,200	298½	+1
Glaxo†	10,000	735	+19
Glynwed	434	316	
Granada†	2,000	569	
Grand Met.†	2,700	406	-2
GUS†	1,500	578	+4
GRE†	2,800	188	-4
GKN†	699	630½	+3½
Guinness†	2,500	471½	+3½
HSBC (75p shs)†	2,900	748	-2
Hammerson	39	324	
Hanson†	7,800	238½	+2½
Harrisons Crosfield	509	149	+1
Hays	412	306	+3
Hillsdown	2,300	182	+3
IMI	676	305	+1
ICI†	2,400	749	-3
Inchcape†	3,300	319	+10
Johnson Matthey	207	549	-1
Kingfisher†	1,900	448	-2
Kwik Save	425	605	-3
Ladbroke†	3,200	172	+1
Land Securities†	572	588	
Laporte	1,400	687	-
Legal & General†	718	472	+5
Lloyds Abbey	259	366	+1
Lloyds Bank†	3,000	627	+6
LASMO	1,500	168	
London Elect.	221	648	-7
Lonrho	1,400	162	+½
Lucas	2,300	189	-2
MEPC†	370	380	+2
MFI	699	121½	+1
Manweb	109	685	+5
Marks & Spencer†	5,000	412	
Midlands Elect.	81	850	-6
Morrison (Wm.)	319	148	
NFC	1,200	165	+½
NatWest Bank†	2,500	540	-2
National Power†	1,600	448½	-1
Next	764	301	+1
North West Water†	651	560	+2
Northern Elect.	63	809	-1
Northern Foods	666	196	
Norweb	130	666	-5
Pearson†	912	572	+5
P & O†	1,400	584	-3
Pilkington	450	180	-2
PowerGen†	1,300	479½	-2
Prudential†	5,300	316½	+1½
RMC†	551	1010	+4
RTZ†	1,400	788	-7
Racal	2,600	240	-4
Rank Org.†	2,500	408½	+3½
Reckitt & Colman†	250	622	-4
Redland†	1,600	426	-1
Reed Intl.†	1,000	794	+8½
Rentokil†	1,200	256	-4
Reuters†	1,700	484	
Rolls Royce†	3,600	170½	
Ryl Bk Scotland†	573	413	-1
Royal Insurance†	1,800	300	-1
Sainsbury†	1,500	429½	+3½
Schroders†	284	1338	+15
Scottish & New.†	569	543	-1
Scot. Hydro-Elect.	85	324	-1
Scottish Power†	2,500	337½	-1
Sears†	6,100	103	-1
Sedgwick	1,100	160	-1
Seaboard	183	887	-3
Severn Trent†	317	559	+½
Shell Transport†	3,100	729½	+½
Siebe†	152	562	+2
Slough Ests	742	211	
Smith (W.H.)	822	415	+1
Smith & Nephew†	1,800	170¼	-1¼
SmKl Beecham†	3,800	494	+2
SmKl Beecham Uts.†	2,100	486	+5
Smiths Inds.	225	487	+1
Southern Elect.†	699	657	-3
South Wales Elect.	163	701	-5
South West Water	168	517	
South West. Elect.	7	867	-11
Southern Water	233	596	+2
Standard Chartd.†	2,100	304	+1
Storehouse	2,800	241	+4
Sun Alliance†	2,500	354	-3
T&N	2,900	181	
TI Group†	5,700	380	-8
TSB†	3,900	243½	+½
Tarmac	2,100	103½	+½
Tate & Lyle†	1,700	421	-1
Taylor Woodrow	731	118	+1
TeleWest	1,100	165½	-8
Tesco†	8,200	288	+5
Thames Water†	488	490	-1
Thorn EMI†	570	1124	-6
Tomkins†	2,000	238½	-3½
Trafalgar House	6,000	58½	-2½
Unigate	494	381	+1
Unilever†	1,400	1218½	+7½
United Biscuits†	1,600	347	+2
Utd. Newspapers	846	491	-8
Vodafone†	6,800	193½	+3
Warburg (SG)†	444	781	+8
Welsh Water	62	614	-3
Wessex Water	253	283	+1
Whitbread†	1,100	550½	+5½
Williams Hldgs.†	1,400	331	-8
Willis Corroon	107	157	-1
Wimpey	[illegible]	[illegible]	[illegible]
Wolseley†	[illegible]	[illegible]	[illegible]
Yorkshire Elect.	[illegible]	[illegible]	[illegible]
Yorkshire Water	[illegible]	[illegible]	[illegible]
Zeneca†	[illegible]	[illegible]	[illegible]

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. † Indicates an FT-SE 100 Index constituent.

مكبر من الاصل

هكذا من الاصل

WORLD STOCK MARKETS

EUROPE

AUSTRIA (Apr 24 / Sch)

[illegible]

BELGIUM/LUXEMBOURG (Apr 24 / Frs.)

[illegible]

CZECH REP (Apr 24 / Koruna)

[illegible]

DENMARK (Apr 24 / Kr)

[illegible]

FINLAND (Apr 24 / Mka)

[illegible]

FRANCE (Apr 24 / Frs.)

[illegible]

GERMANY (Apr 24 / Dm.)

[illegible]

GREECE (Apr 20 / Drachma)

[illegible]

ITALY (Apr 24 / Lire)

[illegible]

NETHERLANDS (Apr 24 / Fls.)

[illegible]

NORWAY (Apr 24 / Kroner)

[illegible]

POLAND (Apr 21 / Zloty)

[illegible]

PORTUGAL (Apr 24 / Escudo)

[illegible]

SPAIN (Apr 24 / Pts.)

[illegible]

SWEDEN (Apr 24 / Kronor)

[illegible]

SWITZERLAND (Apr 21 / Frs.)

[illegible]

TURKEY (Apr 24 / Tk Lira)

[illegible]

PACIFIC

JAPAN (Apr 24 / Yen)

[illegible]

HONG KONG (Apr 24 / H.K.$)

[illegible]

INDONESIA (Apr 24 / Rupiah)

[illegible]

MALAYSIA (Apr 24 / MYR)

[illegible]

NEW ZEALAND (Apr 24 / NZ $)

[illegible]

SINGAPORE (Apr 24 / S$)

[illegible]

AUSTRALIA (Apr 24 / Aust$)

[illegible]

SOUTH KOREA (Apr 24 / Won)

[illegible]

TAIWAN (Apr 24 / TW $)

[illegible]

THAILAND (Apr 24 / Baht)

[illegible]

NORTH AMERICA

CANADA

TORONTO (Apr 24 / Can $)

4 pm close

[illegible]

MONTREAL (Apr 24 / Can $)

4 pm close

[illegible]

AFRICA

SOUTH AFRICA (Apr 24 / Rand)

[illegible]

INDICES

	Apr 24	Apr 21	Apr 20	1995 High	1995 Low
Argentina					
General (29/12/77)	(u)	15091.23	14475.53	16531.10 2/1	9831.09 9/3
Australia					
All Ordinaries(1/1/80)	1999.1	2000.9	2026.0	2049.50 18/4	1923.30 8/2
All Mining(1/1/80)	926.8	925.7	940.8	982.50 19/4	795.30 8/2
Austria					
Credit Aktien(30/12/84)	354.38	358.40	355.14	385.42 2/1	350.32 30/3
Traded Index(2/1/91)	954.30	960.27	955.07	1056.31 2/1	894.83 30/3
Belgium					
BEL20 (1/1/91)	1397.97	1397.60	1376.00	1408.39 21/4	1271.53 9/3
Brazil					
Bovespa (29/12/83)	(u)	(c)	33943.0	43190.66 2/1	21382.08 9/3
Canada					
Metals Minls✦(1975)	(u)	4068.92	4029.93	4326.97 18/1	3808.93 1/3
Composite✦ (1975)	(u)	4258.10	4250.00	4319.48 30/3	3991.41 30/1
Portfolio§§ (4/1/83)	(u)	2111.87	2108.82	2145.48 13/4	1948.39 31/1
Chile					
IPGA Gen (31/12/80)	(u)	5357.3	5293.8	6518.21 17/1	4576.90 9/3
Denmark					
CopenhagenSE(3/1/83)	338.02	338.58	336.79	357.87 13/2	330.81 29/3
Finland					
HEX General(28/12/90)	1711.5	1681.3	1656.8	1949.30 10/1	1528.39 29/3
France					
SBF 250 (31/12/90)	1258.10	1259.18	1236.48	1261.23 5/1	1163.14 10/3
CAC 40(31/12/87)	1918.51	1928.37	1882.00	1928.37 21/4	1721.98 13/3
Germany					
FAZ Aktien(31/12/58)	733.68	733.64	728.16	795.81 18/2	708.87 30/3
Commerzbank(1/12/53)	2104.4	2093.8	2077.2	2289.00 18/2	2019.70 30/3
DAX (30/12/87)‡	1976.21	1976.54	1955.97	2135.04 15/2	1910.95 28/3
Greece					
Athens SE(31/12/80)	(c)	(c)	811.51	886.22 4/1	787.15 16/3
Hong Kong					
Hang Seng(31/7/64)	8625.55	8645.39	8631.37	8827.93 28/3	6967.93 23/1
India					
BSE Sens.(1979)	3309.00	3362.79	3355.74	3932.09 2/1	3233.31 22/2
Indonesia					
Jakarta Comp.(10/8/82)	420.19	419.52	414.41	481.22 6/1	414.21 19/4
Ireland					
ISEQ Overall(4/1/88)	1865.51	1871.71	1857.86	1902.77 10/2	1813.59 23/1
Italy					
Banca Comm Ital (1972)	612.27	621.43	618.46	689.54 10/2	587.99 23/3
MIB General (2/1/95)	975.0	982.0	977.0	1078.00 10/2	929.00 23/3
Japan					
Nikkei 225 (16/5/49)	16804.05	16968.24	16843.06	19723.06 2/1	15381.29 3/4
Nikkei 300 (1/10/82)	245.75	248.60	244.82	287.17 2/1	228.05 24/3
Topix (4/1/68)	1329.28	1341.35	1321.04	1559.09 2/1	1239.67 24/3
2nd Section (4/1/68)	1694.50	1695.30	1680.20	2133.86 2/1	1601.53 24/3
Malaysia					
KLSE Comp.(4/4/86)	975.05	977.84	962.54	998.79 5/4	840.87 24/1
Mexico					
IPC (Nov 1978)	(u)	1919.42	1830.52	2354.25 2/1	1447.52 27/2
Netherland					
CBS TRtnGen(End 83)	439.0	438.8	435.3	447.08 10/2	422.80 23/3
CBS All Shr (End 83)	274.7	274.8	272.7	288.49 10/2	265.20 23/3
New Zealand					
Cap. 40 (1/7/86)	2120.10	2116.01	2123.83	2123.83 20/4	1901.43 5/1
Norway					
Oslo SE(Ind)(2/1/83)	1138.58	1128.42	1112.04	1152.86 6/2	1039.00 10/3
Philippines					
Manila Comp (2/1/85)	2512.63	2502.48	2499.80	2805.38 3/1	2249.39 27/3
Portugal					
BTA (1977)	2770.3	2772.1	2765.3	2911.89 9/1	2682.40 28/1
Singapore					
SES All-S'pore(2/4/75)	501.59	501.16	494.02	535.06 5/1	472.80 23/1
South Africa					
JSE Gold (28/9/78)	1491.7♥	1484.6	1507.7	2023.00 2/1	1367.88 27/3
JSE Indl. (28/9/78)	5737.8♥	5705.2	5696.8	5954.40 2/1	5222.09 31/1
South Korea					
KoreaCmpEx(4/1/80)**	876.89	903.15	908.73	1027.37 2/1	876.89 24/4
Spain					
Madrid SE (30/12/85)	276.49	276.08	274.58	290.88 8/2	264.06 23/3
Sweden					
AffarsvardsGen (1/2/37)	1527.0	1515.5	1506.8	1583.80 14/2	1439.80 29/3
Switzerland					
Swiss Bk Ind (31/12/58)	1203.95	1202.65	1195.16	1257.80 14/2	1174.63 13/3
SBC General (1/4/87)	898.27	899.04	893.95	929.91 4/1	876.58 13/3
Taiwan					
Weighted Pr.(30/6/66)**	5963.86	5943.21	6138.54	7124.66 3/1	5943.21 21/4
Thailand					
Bangkok SET (30/4/75)	1174.55	1173.16	1160.29	1322.85 5/1	1135.69 16/3
Turkey					
Istanbul Cmp.(Jan 1986)	49676.1	54653.9	52711.1	54653.89 21/4	34644.31 23/1
WORLD					
MS Capital Int (1/1/70)§	661.9*	663.4	659.5	663.40 24/4	598.21 23/1
CROSS-BORDER					
Eurotrack 100(26/10/90)	1281.08	1285.45	1267.69	1348.30 10/2	1222.41 13/3
Euro Top-100 (26/6/90)	1173.83	1176.06	1164.47	1202.67 10/2	1114.54 10/3
JCapeOrgns (31/12/88)	(u)	309.17	307.48	309.59 14/4	282.07 23/1
Barings Emerg.(7/1/92)	139.59	138.26	135.40	158.07 2/1	117.15 10/3

INDEX FUTURES

	Open	Sett Price	Change	High	Low	Est. vol.	Open Int.
■ CAC-40 (200 x index)							
Apr	1930.0	1920.0	-23.0	1930.0	1902.0	25,681	25,817
May	1930.0	1916.5	-23.5	1930.0	1900.0	4,443	14,229
■ DAX							
Jun	1987.0	1979.0	-11.0	1992.5	1972.0	10,758	113,589
Sep	2008.0	2001.5	-14.5	2012.5	1998.0	66	2,619
■ OMX							
Apr	1178.50	1186.25	+7.25	1189.50	1176.00	7,819	22,615
May	1168.75	1175.00	+10.00	1178.00	1168.75	4,916	4,744
■ SOFFEX (April 21)							
Apr	2553.5	2565.3	+24.3	2565.3	2552.0	2,824	8,145
Jun	2525.0	2525.0	+37.0	2527.0	2525.0	12	1,017

** Sat Apr 15: Taiwan Weighted Price 6247.75; Korea Comp Ex 911.47. Base values of all indices are 100 except Australia All Ordinary and Mining – 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall; Toronto Comp./Metals & Minerals and DAX – all 1,000; JSE Gold – 255.7; JSE 20 Industrials – 264.3; NYSE All Common – 50 and Standard and Poor's – 10. §§ Montreal. ✦ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours index: Apr 24 – 1978.97 -8.73.

US INDICES

Dow Jones	Apr 21	Apr 20	Apr 19	1995 High	1995 Low	Since compilation High	Since compilation Low
Industrials	4270.09	4230.66	4207.49	4270.09 (21/4)	3832.08 (30/1)	4270.09 (21/4/95)	41.22 (2/7/32)
Home Bonds	99.14	98.95	98.72	99.14 (21/4)	93.63 (3/1)	108.77 (18/10/93)	54.99 (1/10/81)
Transport	1642.96	1634.35	1628.29	1667.65 (13/4)	1473.18 (3/1)	1862.29 (2/2/94)	12.32 (8/7/32)
Utilities	192.66	192.92	192.79	196.74 (8/2)	183.03 (3/1)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high 4298.37 (4263.86) Low 4214.41 (4186.39) (Theoretical✦)
Day's high 4270.43 (4244.49) Low 4230.66 (4203.69) (Actual✦)

Standard and Poors	Apr 21	Apr 20	Apr 19	1995 High	1995 Low	Since compilation High	Since compilation Low
Composite ‡	508.49	505.28	504.92	509.23 (13/4)	459.11 (3/1)	509.23 (13/4/95)	4.40 (1/6/32)
Industrials♥	604.77	600.27	599.28	604.80 (13/4)	546.28 (3/1)	604.80 (13/4/95)	3.62 (21/6/32)
Financial	47.44	47.37	47.52	47.81 (7/4)	41.41 (2/1)	48.46 (28/9/93)	8.64 (1/10/74)
NYSE Comp.	274.78	273.09	272.72	276.00 (13/4)	250.73 (3/1)	276.00 (13/4/95)	4.46 (25/4/42)
Amex Mkt Val	472.10	471.71	470.79	473.11 (17/4)	433.12 (6/1)	487.89 (2/2/94)	29.31 (9/12/72)
NASDAQ Comp	823.46	819.61	816.55	832.84 (13/4)	743.58 (3/1)	832.84 (13/4/95)	54.87 (31/10/72)

■ RATIOS

	Apr 21	Apr 13	Apr 7	Year ago
Dow Jones Ind. Div. Yield	2.57	2.60	2.61	2.79
	Apr 19	Apr 12	Apr 5	Year ago
S & P Ind. Div. yield	2.27	2.25	2.26	2.55
S & P Ind. P/E ratio	18.06	18.15	18.11	23.24

■ NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Close price	Change on day
Citicorp	6,604,200	47⅝	+1
Compaq	6,489,100	36⅜	+1
Gen Instr	5,904,600	34	-½
IBM	5,877,000	91⅝	+2⅜
A T & T	5,848,600	48⅛	—
Wal-Mart	5,516,700	24⅛	-⅛
Telefonos	5,007,100	29⅝	+⅝
Chrysler	4,775,800	45⅝	+⅞
Merck	4,079,500	42⅞	+1
Ford Motor	4,054,400	27	-¼

■ TRADING ACTIVITY

● Volume (million)	Apr 21	Apr 20	Apr 19
New York SE	403.548	385.693	377.523
Amex	16.028	18.177	18.968
NASDAQ	353.105	379.271	420.084
NYSE			
Issues Traded	2,968	2,982	2,964
Rises	1,317	1,163	944
Falls	848	1,017	1,218
Unchanged	803	802	802
New Highs	104	81	48
New Lows	23	29	24

	Open	Latest	Change	High	Low	Est. vol.	Open Int.
■ S&P 500							
Jun	510.05	510.15	-0.15	510.25	509.30	65,195	196,599
Sep	513.90	514.30	+0.85	514.30	513.90	715	13,374
■ Nikkei 225							
Jun	16960.0	16850.0	-150.0	17040.0	16830.0	20,887	120,881
Sep	17070.0	16950.0	-130.0	17070.0	16950.0	1,233	1,738

Open interest figures for previous day.

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ✦ The DJ Indl. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation.

■ TOKYO - MOST ACTIVE STOCKS: Monday, April 24, 1995

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Tosoh	9.0m	441	+6	NKK	1.8m	236	-1
Nippon Steel	4.2m	336	-10	Nippon Paper	1.7m	673	+2
Hitachi	2.4m	890	-7	Mitsubishi T&B	1.6m	1430	-10
Toshiba	2.2m	568	-15	Hitachi Zosen	1.4m	402	-7
Sumitomo Mtl	2.1m	283	-3	Japan Mtl & Chem	1.4m	457	+5

Prices supplied by Telekurs

NOTES – Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are for 1995, except Toronto & Montreal (daily). # Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. † Priced in US $.

FT FREE ANNUAL REPORTS SERVICE

You can obtain the current annual/interim report of any company annotated with ♣. Please quote the code FT3165. Ring 0181 770 0770 (open 24 hours including weekends) or fax 0181 770 3822. If calling from outside the UK, dial +44 181 770 0770 or fax +44 181 770 3822. Reports will be sent on the next working day, subject to availability.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

4 pm close April 24

1995 High	Low	Stock	Div	Yld. %	P/ E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
14¼	12⅛	AAR	0.48	3.5	23	113	13⅝	13½	13⅝	
24	19¾	ALPharmaA	0.18	0.8	287	66	23½	23	23	-½
40	35	AMP	0.92	2.2	23	4775	u41¾	40	41¾	+1¾
70	53⅞	AMR			21	7382	65⅝	64½	65½	+½
47⅞	41⅞	ASA	1.71	3.7	30	903	46⅛	45⅝	45⅞	+¼
39⅛	30¾	Abbott	0.84	2.2	20	9229	38⅞	37½	38⅞	+1⅝
14⅝	12	Abitibi Pr	0.40	2.9	107	133	14	13⅞	14	+⅛
24⅜	21	ABM Ind	0.60	2.6	13	223	23⅛	22⅞	23⅛	+⅛
16⅞	14¼	Acptncaln			9	152	15½	15⅛	15½	+½
27	21⅞	ACE Ltd	0.44	1.6	8	382	26⅞	26⅝	26⅞	+¼
9¼	8⅛	ACM Gvt In	0.90	10.6	7	1002	8½	8⅜	8½	+⅛
7½	6½	ACM GvOpp	0.66	10.0		152	6¾	6⅝	6⅝	-⅛
7½	5¾	ACM Gvt Sp	0.75	12.0		1111	6⅜	6	6¼	+⅛
8⅝	7¼	ACM Gvt Se	0.90	12.0		1929	7⅝	7⅜	7½	+⅛
8½	7⅝	ACM Man	1.08	13.1		132	8¼	8⅛	8¼	+⅛
7⅝	7⅛	ACM Managd	0.72	9.6		305	7½	7½	7½	
20⅜	10¼	AcmeClv	0.48	2.4	12	790	u21	19¾	20¼	-⅛
21½	12⅞	Acme Elect			22	373	20⅜	19½	20	+⅝
34½	31⅝	Acordia	0.72	2.2	16	23	33	32⅞	33	
11⅜	8⅝	Actava	0.36	3.9	7	149	9⅝	9¼	9¼	-⅛
16¾	11⅛	Acuson			18	311	11½	11¼	11⅜	-⅛
17¼	15⅝	Adams Expr	0.48	2.8	0	170	u17¼	17	17⅛	-⅛
68½	53	Ad Micro				66	66	66	66	
36⅞	25	AdvMic			10	12007	35⅛	34	35	+1⅛
6⅜	5	Advest Grp	0.16	2.7	29	34	5⅞	5¾	5⅞	+⅛
21⅞	16½	Advo Inc	0.10	0.5	16	191	20⅝	20¼	20⅝	-⅛
77½	63⅞	Aegon ADR	1.47	1.9	15	22	u77½	77⅛	77⅛	-⅜
4⅜	3⅜	Aerfli			5	48	3¾	3⅝	3¾	
59	46¼	AetnaL	2.76	4.8	13	10027	57¼	56⅛	57¼	+½
42¾	31⅞	Aflac	0.46	1.2	14	531	40	39½	39⅞	
20⅝	16	Ahmnsn	0.88	4.3	12	3132	20⅜	19¾	20⅜	+½
1⅞	½	Aileen Inc			0	129	½	⅝	⅝	-1/16
52¼	41⅝	AirPrC	0.98	1.9	23	1594	52	51⅛	52	+⅞
24⅛	18¾	Airbne Frt	0.30	1.6	10	410	19⅜	19⅛	19¼	-¼
27	19⅝	Airgas Inc			25	638	23	22¾	22⅞	-⅛
15	13⅛	Airlease	1.88	12.7	10	41	14¾	14⅝	14¾	+¼
30	24	AirTch			127	13105	25½	25⅛	25½	+⅛
16¾	13½	Alaska Air	0.20	1.2	17	1493	16½	16⅛	16¼	+⅛
22⅞	17⅛	Albany Int	0.35	1.6	27	981	22⅛	21¾	22	+⅛
14½	12¾	Albrnd	0.20	1.4	17	617	14	13¾	14	+¼
31⅝	25⅞	AlbCuB	0.32	1.0	18	138	u31⅝	30⅞	31⅜	+½
28	23	AlCulvr A	0.32	1.1	20	109	27⅞	27⅛	27⅞	+¾
32½	26½	Alcan	0.52	1.6	19	2160	32	31¾	32	+⅛
28½	23⅜	AlcnAl	0.30	1.1	23	4742	u28½	27½	28½	+1
73¾	61⅞	AlcoSt	1.04	1.4	48	645	72¼	71⅛	72¼	+⅞
39¼	29½	AlexBrown	0.70	1.8	8	283	38¾	37⅞	38¾	+⅝
23¾	18½	AlexAl	0.10	0.4	9	1805	u25⅛	23⅞	25⅛	+2¼
22½	18⅜	Allegh Lud	0.48	2.1	87	1416	u22⅞	22⅜	22⅝	+¼
24⅞	21½	AllegP	1.64	6.9	12	148	23¾	23½	23⅝	-⅛
25¾	21¼	Allen Gon	0.20	0.9	20	325	23½	22½	23½	+1
30¼	26¼	Allergan	0.44	1.6	16	277	27¾	27⅜	27⅝	-¼
20	15⅜	Allnce Cap	1.64	8.5	11	158	19⅜	19⅛	19¼	-⅛
9⅛	8⅝	Allnce Gl	0.18	2.0		187	u9⅛	8⅞	9⅛	+¼
29½	23½	Ald Irish	1.01	3.6	16	3	28¼	28	28	-¼
40½	33⅞	AldSig	0.78	1.9	14	3611	u40½	39⅛	40	+¾
10⅛	9¼	Allmer	0.84	8.8		36	9½	9½	9½	-¼
30⅞	23½	Allstate	0.79	2.6	28	5087	30¼	29⅞	30⅛	+¼
31	25	Alltel Crp	0.96	3.7	17	2627	26¼	25¾	25⅞	-⅛
6⅜	5⅛	Allwaste			16	466	u6⅜	6¼	6⅜	+⅛
29⅝	23¾	Alumax			8	672	28⅜	27¾	28⅛	+⅝
45⅛	36⅞	Alcoa	0.90	2.0	12	10440	u46⅝	44½	45⅝	+⅞
24⅛	18⅛	Alza Cp A			26	7055	19	18⅜	18¾	-½

1995 High	Low	Stock	Div	Yld. %	P/ E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
60½	56⅝	Bolo A	0.64	1.1	16	177	58¼	57½	58¼	+⅛
29¾	23	Bowie	0.64	2.3	19	1248	27⅜	27	27¼	-⅛
55	49½	Benef 4.3P	4.30	8.0		2	53⅝	53⅝	53⅝	
42½	37	Benef	1.72	4.3	12	414	40⅜	39½	40⅛	+⅝
24⅛	16	Benetton A	0.47	2.6	11	23	18⅜	18⅛	18⅜	+⅛
¾	⅞	Benguet B	0.04	5.3	75	376	u¾	⅝	¾	+⅛
29⅛	18½	BergBr	0.50	1.9	17	1095	26⅜	25¾	26	+¼
23950	20100	BerkH			27	2	22450	22100	22100	-400
10	6⅜	Berry Petr	0.40	4.0	200	118	u10	9¾	10	+¼
33⅝	19⅞	Best Buy			18	3656	25⅞	24⅞	25	-⅝
26½	24⅝	Beth St 2	2.50	8.8		46	25⅝	25⅜	25⅝	+¼
51⅞	48⅞	Bethlhm Pf	5.00	9.9		53	50¾	50	50⅝	+⅜
19⅛	14¼	BethSt	0.40	2.6	43	5625	15⅝	15¼	15⅜	
46⅝	42	Betz L	1.44	3.4	17	605	42⅛	d41½	41¾	-⅜
16⅛	12½	BevEnc			18	3378	15	14¾	14⅞	
22½	15¼	Biocraft	0.10	0.5	165	3897	22	19⅝	19⅞	-⅝
22¾	17½	Birmingm S	0.40	2.0	12	1422	20⅝	20⅛	20½	+⅜
30⅝	23	BlDeck	0.40	1.3	21	2844	30⅜	30	30⅛	-¼
24⅛	20¾	Black H PL	1.34	5.9	13	28	22¾	22½	22⅝	-⅛
8⅝	7¾	BlckrckAdv	0.68	8.1		138	8½	8⅜	8⅜	+⅛
7¼	6⅛	Blckrckinc	0.75	10.9		163	7	6⅞	6⅞	
8⅞	8⅛	BlckrckTgt	0.65	7.6		798	8½	8⅜	8½	
46⅝	33⅞	Block	1.25	3.0	22	10495	41¾	40⅝	41⅝	+¼
8⅞	6	Blue Chip	0.12	1.8		97	6¾	6⅝	6¾	
18¼	15⅜	BMC Ind	0.08	0.4	16	947	18⅛	17⅞	17⅞	-⅛
58⅜	44⅞	Boeing	1.00	1.8	22	9655	u57	55¼	56⅞	+1
38⅞	25¼	BoiseC	0.60	1.9	39	2642	31¾	31⅛	31½	-¼
22¼	14⅝	Bolt B & N	0.06	0.3	39	420	19⅜	18½	19⅛	+½
10⅞	7¾	Bombay Co			16	2794	8½	8⅛	8⅛	-¾
25⅜	14⅜	Bordn Chm	7.08	43.6	2	2258	16¼	15½	16¼	-1⅝
21⅞	20¾	Bostn Celt	1.50	7.1	17	11	21	20⅞	21	
28⅞	16⅝	BosSci			32	2485	26¾	26⅜	26⅝	+¼
37¼	26⅜	Bowatr	0.60	1.6	33	8130	36⅝	36	36½	+⅜
32⅞	19	Brazil Fnd	0.27	1.1		325	25⅞	25⅛	25⅝	-¼
32	30	BRE Prop	2.52	8.2	13	37	31	30⅞	30⅞	-¼
29	19¾	BreedTech	0.20	1.0	9	826	20⅞	20½	20⅞	+¼
38	32¾	BrigSt	1.00	2.8	8	803	35⅜	34¼	35⅛	+1⅛
20⅞	14¾	Brinkerint			16	3145	16⅜	15⅞	16¼	+¼
65⅞	57¾	BrMySq	2.96	4.6	17	7385	65¼	64¾	65	
68⅛	56¼	Br Air	1.89	3.0	10	57	64½	63⅞	63⅞	-1
50½	44⅞	Brit Gas	2.40	4.8	191	182	50	49	49¼	-¾
87½	75⅝	BP	1.95	2.2	16	2208	u88	87⅛	87⅞	+½
18	15⅞	BP Prudhoe x	1.55	8.6	10	805	u18⅛	17⅞	18⅛	+¼
28½	22⅝	BSteel	0.58	2.3	50	170	26¼	25⅞	25⅞	
64¼	57⅞	BT	2.79	4.4	14	689	63½	63	63¼	
24¾	22	BkdynU	1.39	5.6	13	111	24⅝	24½	24⅝	+⅛
33⅜	28⅛	BrwnGp	1.60	5.6	15	240	28¾	28½	28¾	+⅛
7⅝	5⅝	BrwnSh	0.32	4.8	2	6	6⅝	6½	6⅝	
33⅞	29⅜	BrnFmB	0.99	3.0	15	448	33¼	31⅝	33⅛	+1⅜
34⅜	27⅛	BrFerr	0.68	2.1	20	4212	33⅜	32⅞	32⅞	-⅝
4	3⅛	BRT			25	14	3⅜	3⅜	3⅜	
21¼	18⅜	Brnswk	0.50	2.4	15	1115	20⅞	20¾	20¾	-⅛
19½	14½	Brush Well	0.32	1.7	16	313	18½	18⅛	18½	+½
37	32	Buckeye Pt	2.80	8.1	8	52	35	34⅝	34⅝	-⅜
11⅞	8½	Burl Coat			15	322	10⅜	10⅛	10⅜	+⅛
61⅝	45½	BurlN	1.20	2.0	13	8623	60⅛	58⅝	60⅛	+¼
40¾	33⅝	Burln Resc	0.55	1.4	33	2330	40	39⅝	39⅞	+⅛
13⅜	11⅝	Burnham Pc	1.44	11.8	14	402	12½	12	12¼	-⅛
28½	23⅞	BushBooks			20	13	u28⅝	28½	28⅝	+⅛

Continued on next page

هكذا من الاصل

4 pm close April 24

NYSE COMPOSITE PRICES

Continued from previous page

1995 High	Low	Stock	Div	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
10	8	SantaFeERs	0.18	1.7	158	601	9⅝	9⅜	9½	
13⅛	9	SFeGd			30	3819	u13¾	12¾	13⅛	+⅜
37	33¼	SFePipe	3.00	8.3	9	118	36⅛	35⅞	36	-⅝
24	17⅛	SanFeP	0.10	0.4	22	1892	23⅝	22¾	23⅝	+¼
28½	24⅛	SaraLee	0.68	2.4	58	5223	u28½	28	28½	+½
45½	41⅛	Scana Corp	2.88	6.8	13	269	43	42⅝	42⅝	-⅛
16¾	14½	Scecorp	1.00	6.1	10	3662	16⅛	15⅞	16⅛	+⅛
11¼	8	SchnckA	0.26	3.2	12	28	8¼	8	8	-⅛
50¼	42¾	SchererRP			29	287	48½	46⅛	46¾	+⅛
79¾	71	SchrPl	2.32	3.0	16	4692	77⅝	76⅜	77⅛	-⅝
64	50⅛	Schlmb	1.50	2.3	28	6053	u64	63	64	+½
46⅜	28⅞	Schwab(C)	0.24	0.7	21	1624	33	31⅛	33	+1⅝
11⅞	7¾	Schweitzer			8	4	10½	10½	10½	
24⅞	17½	SciAtl	0.08	0.3	28	2463	23⅞	22⅞	23⅜	-⅞
19½	16⅞	Scotsman	0.10	0.5	12	134	u19⅛	18⅞	19	
91½	67⅛	ScottP	0.40	0.5	20	1787	89	87⅞	88⅞	+¼
32¼	26⅞	Scripps	0.44	1.5	17	118	29⅝	29⅛	29½	-⅛
21½	14⅜	ScudderNAsF	0.02	0.1		55	15⅞	15¾	15⅞	
9⅞	8⅝	ScuddNEuF	0.16	1.7		344	u9⅜	9¼	9⅜	
18½	13⅜	SeaCnt2	0.70	4.3	10	2100	16⅛	16⅛	16⅛	+⅛
16	14⅝	SeaC1.4625	1.46	9.7		3	15	15	15	
30⅛	23⅝	Sgate			8	12135	u30⅝	28⅝	30½	+1½
32⅞	25⅝	Seagrm	0.60	2.2	12	6308	26¾	26⅜	26¾	+¼
20	15¼	Seaquil En			195	688	17⅞	17½	17⅞	+⅛
45½	35⅞	Sealed Air			22	944	43	40⅝	42⅞	+2⅛
54⅛	44⅛	SearsR	1.60	2.9	17	10737	u54¾	53¾	54⅞	+½
18½	16⅜	SecCapSBt	1.15	6.7	26	312	17⅛	17	17¼	+¼
12¼	10⅞	Seligm Sel x	0.84	7.1		80	12	11⅞	11⅞	-⅛
35⅞	27¼	Sensormat	0.22	0.8	22	2898	28⅛	27½	28⅛	+⅝
31¾	21⅞	SequaA	0.80	1.9	10	109	31	28⅜	30⅞	+2½
33	23	SequaB	0.50	1.4	18	35	u35	33½	35	+2
29⅛	26¼	ServCp	0.44	1.6	17	4160	27½	26⅞	27⅛	-⅜
25	21½	SvMstr	0.98	4.0	13	123	24	23¾	24	+⅛
5⅛	4⅞	ServMerch			8	1237	5	4⅞	4⅞	
17⅛	12	Shaw Ind	0.30	2.2	14	8223	13½	12⅞	13½	+⅜
27	18½	Shawmut Nt	0.88	3.3	14	1910	26⅞	26⅝	26⅞	+⅛
10¼	7⅝	Shelby Wil	0.28	3.0	93	18	9⅜	9¼	9⅜	-⅛
71⅝	64¼	ShellTr	2.77	3.9	23	169	71	70¼	70¾	+⅜
35⅞	32	SherW	0.64	1.8	16	954	u35½	35	35½	+⅜
13½	9⅛	Shoneys			8	588	11⅝	11⅛	11⅝	+⅛
15¾	13½	Showboat	0.10	0.7	14	294	14⅝	14½	14⅝	
21¼	18½	Sierra Pac	1.12	5.4	11	186	20¾	20⅜	20¾	+⅛
8⅛	5¾	SignalApp			0	10	6⅛	6	6⅛	+⅛
38⅝	17⅝	Signet Bnk	1.00	4.6	8	785	21¾	21½	21¾	
38	20⅛	SiliconGr			32	6852	36	35	35⅞	+½
11⅜	9⅞	Sizeler	1.12	11.3	17	211	10	d9⅞	9⅞	-⅛
6½	5⅛	Sizzler	0.16	2.8	1	220	5⅝	5½	5⅝	+⅛
19⅛	17	Skyline	0.48	2.7	12	115	17¾	17½	17¾	
5¾	4⅜	SL Inds	0.06	1.3	11	15	4⅝	4⅝	4⅝	
3⅞	1⅞	SmithCoro	0.10	5.0	18	276	2⅛	2	2	
17¾	11	Smithln			19	2688	17⅝	17¼	17½	
42½	35¼	SKBchA	1.08	2.7	16	51	39¾	39⅛	39⅛	-½
42¼	33½	SKBEqU	1.26	3.2	16	3766	39⅝	39⅛	39½	
27⅝	20⅜	Smiths Fo	0.60	2.9	11	1646	20⅞	20½	20½	-⅜
24½	20¾	Smucker J	0.52	2.4	18	29	21⅞	21⅝	21¾	+⅜
37	31	SnpOnT	1.08	3.0	15	409	36½	35⅜	36½	+1
15⅜	12⅞	Snyder Oil	0.26	1.8	208	1645	15¼	14½	14⅝	-⅝
29¾	22⅛	Solectron			18	3209	u30	28⅞	29⅝	+1
31⅞	26	Sonat	1.08	3.5	18	702	30⅞	30⅝	30¾	+¼
56½	*42½*	*Sony*	*0.42*	*0.8*	*7*	*582*	*51⅞*	*50⅞*	*51⅞*	+⅛
13⅝	10½	Sothebys	0.24	1.8	38	1584	13¼	12⅞	13⅛	+⅛
41⅞	37	Source Cap	3.60	9.1	[illegible]	329	31	39½	39⅛	39½ -⅛
35	30	SouthCar5%	2.50	7.5		z100	33⅝	33⅛	33⅜	
20½	17⅞	SthJersInd	1.44	7.2	16	49	20	19¾	20	+⅛
18⅞	11½	Sthdwn	0.50	2.7	15	90	18⅝	18½	18⅝	-¼
18¼	15¾	SCalWt	1.20	7.4	11	134	16⅜	16⅛	16¼	+⅛
22½	18¾	SthNatCp	0.80	4.0	8	1197	20⅞	20	20⅛	-⅛
21½	19⅜	SthnCo	1.22	5.8	13	8534	21	20⅞	21	-⅛
30¼	26⅝	SouthnNE	1.69	5.7	11	21	29¾	29⅝	29⅝	-⅛
34½	31¾	SNETel	1.76	5.3	11	334	33	32⅝	33	-⅛
21½	*16⅜*	*SthwAir*	*0.04*	*0.2*	*18*	*12865*	*u22⅛*	*21*	*22*	+⅞
15¼	13⅝	SouthWGas	0.82	5.8	17	20	14⅞	14¾	14¾	-⅛
15¼	11¾	SouthWEngy	0.24	1.6	14	63	14⅞	14½	14⅝	-⅜
29⅜	26½	SouthWnPSv	2.20	7.8	12	68	28⅜	27⅞	28⅜	+¼
8¾	7¼	Spain Fund	0.46	5.6		97	8⅜	8⅛	8¼	
4½	3⅜	Spartan Cp			4	20	4	4	4	
16½	13	SphereD	0.16	1.0	12	18	15¾	15⅝	15¾	
40¼	35¼	Spring	1.20	3.1	10	216	38⅞	37⅛	38¾	+1⅜
32½	25⅞	Sprint	1.00	3.2	12	15006	31⅝	31⅛	31½	+¼
17⅞	14	SPX	0.40	2.8	13	83	14⅝	14⅜	14½	+⅛
15⅛	12¼	Std Comm	0.40	2.8	5	50	14¼	14⅛	14¼	+⅛
20½	*18⅜*	*Std Motor*	*0.32*	*1.6*	*10*	*156*	*19⅝*	*19⅛*	*19⅝*	+½
6⅞	5⅛	StandPacfU	0.12	2.0	27	294	6	5¾	6	+⅛
24⅛	18½	StdPrd	0.68	3.4	11	196	19⅞	19⅝	19⅞	
32⅝	29	Standex	0.64	2.1	12	30	30¾	30½	30¾	
31½	26⅞	Stanhome	1.06	3.8	12	339	28¼	27½	28⅛	+⅛
41⅞	35⅝	StaWk	1.40	3.5	14	421	40⅝	40⅛	40⅜	+¼
43¾	36¼	StarBnc	1.60	3.8	10	150	43	42½	42⅝	-¼
23⅞	21½	Sterrett	0.68	2.9	15	18	23¼	23	23⅛	-¼
34⅛	29⅝	StateStBo	0.64	2.0	11	2113	32¼	32	32⅛	
30¼	23¼	Stn.Fed.Bk.	0.68	2.4	7	904	28⅛	27⅝	28	
7⅜	6¼	SterlgBcp	0.24	3.4	11	31	7¼	7⅛	7⅛	-¼
14⅛	*10¾*	*SterlgChem*	*0.08*	*0.6*	*15*	*2864*	*12⅝*	*12½*	*12⅝*	+⅛
13¼	11¼	StrlEl			11	18	13	12⅞	12⅞	-⅛
38⅜	32⅞	SterlgSwre			39	864	34⅝	34¼	34⅜	-⅛
6⅞	5 13/16	Stifel Fin	0.13	2.2	4	19	5¾	5⅝	5¾	+⅛
34⅛	27¼	Stone&Web	0.60	2.1	55	102	29	28¾	29	
24½	16⅞	Stone Cont	0.71	3.5	12	13963	20⅝	20	20⅛	
26	23	Stop Shop			16	1779	u26¾	25	26½	+1⅞
17⅛	13½	StrEqu	0.88	5.5	15	118	16⅜	15⅞	16⅛	+⅛
33¼	17⅞	StrTch			27	4355	18¾	d17⅞	18¼	+¼
39⅞	25¾	Stratus			11	2340	29⅝	27⅛	29¼	+1¾
13¼	10⅛	StrideRite	0.38	3.2	30	682	12¼	12	12	
34½	28	Sturm Rger	1.40	4.7	11	64	30	29⅞	29⅞	
2¼	1	Suave Shoe	0.30	24.0	0	23	1¼	1¼	1¼	
10¾	10¼	Sun Dis A	1.10	10.4	9	108	10⅝	10½	10⅝	
4¾	3⅞	Sun Dis B	0.24	5.5	3	87	4⅜	4⅜	4⅜	
4⅝	3⅞	Sun Energy	0.56	12.8	18	34	4½	4⅜	4⅜	-⅛
48⅞	36	Sunamer	0.60	1.3	12	1325	47¾	47	47⅛	-⅝
54	44½	Sndstr	1.20	2.2	30	1158	u55⅛	54	55⅛	+1⅛
9	6⅜	SunshineM	1.19	13.8		36	8⅝	8⅝	8⅝	
2⅜	1½	Sunshld				1885	2¼	2	2⅛	
55⅞	47¼	Suntst	1.44	2.6	12	1144	54¾	53⅞	54⅝	+⅜
12¼	10⅛	Super Food	0.38	3.3	13	69	11⅜	11¼	11⅜	
29	23⅞	Superior	0.18	0.7	13	627	25⅞	25⅜	25⅞	+⅜
27⅛	22½	Supval	0.94	3.6	42	859	26	25¾	26	+¼
24½	20	Surg Care	0.16	0.7	28	1748	23½	23⅛	23⅜	-¼
21⅛	17⅜	Swiss Helv	0.27	1.3		115	21	20⅞	21	+⅛
31⅝	24⅜	Symbol Tec			23	761	31⅛	30⅜	31⅛	+¾
7⅞	6⅝	Syms Corp	0.20	2.8	14	2	7⅛	7⅛	7⅛	
21⅛	17¾	Synovus Fn	0.54	2.6	15	256	20¾	20¼	20⅝	+⅛
28¾	24⅞	Sysco	0.44	1.6	21	1860	27⅞	27½	27⅝	-⅛
		- T -								
5¾	4⅛	TCBY Enter	0.20	4.2	21	613	4¾	4⅝	4¾	
44½	37¼	TCF Financ	1.25	2.9	9	102	43⅛	42⅞	43	-¼
8½	7⅝	TCW Conv S	0.84	10.3		103	8¼	8⅛	8⅛	-⅛
48¾	39	TDK Corp A	0.45	0.9	120	2	u48⅜	48⅜	48⅜	+⅜
2⅜	1¾	T I S Mtge	0.08	4.3	6	62	2	1⅞	1⅞	
16⅛	11⅜	TJX	0.56	4.8	11	976	12	11½	11¾	-⅛
16¼	14⅝	TNP Enterp	0.30	5.0	9	31	15⅞	15⅞	15⅞	+⅛
72⅞	61¾	TRW	2.00	2.8	12	829	u73¼	72⅜	72⅝	+⅜

4 pm close April 24

AMEX COMPOSITE PRICES

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Adv Magn		131	50	18½	18⅜	18⅝	
Alfin Inc		100	25	1	⅞	1	
Alpha Ind		9	330	13¼	12¾	13	+¼
Am Isr Pa	1.05	17	6	50	50	50	
AmMaize A	0.68	9	287	32¼	30½	31⅞	+1⅞
Amdahl	0.05	20	5613	12⅞	12½	12¾	+⅛
Am Expl		1	303	1	15/16	15/16	-1/16
Ampal-AmA		22	112	6⅛	6	6	-⅛
ASR Invs	0.40	7	137	3⅝	3 9/16	3⅝	
Astrotech		23	21	3⅛	3 1/16	3 1/16	
Atari		16	175	2¾	d2⅝	2 11/16	+1/16
AtlasCM B		0	160	1/16	0⅛	1/16	
Audiovx A		22	98	6½	6 7/16	6½	
B&H Ocean	0.60	1	5	2 13/16	2¾	2 13/16	
BadgerMtr	0.73	12	7	25⅜	25⅜	25⅜	
BaldwnT A	0.04	20	115	6	5⅞	5⅞	-1/16
Barry RG		16	316	13⅛	11⅝	11¾	-1¼
BATadr	0.76	11	554	14⅝	14½	14 9/16	+1/16
Beard		8	16	2 3/16	2⅛	2⅛	-⅛
Binks Man	0.40	18	109	u24	22½	24	+1¾
Bio-Rad A		14	124	28⅛	27¾	28⅛	+⅜
Blount A	0.57	14	20	45⅞	45¾	45⅞	-⅛
Bowmar		9	32	2 11/16	2 11/16	2 11/16	-1/16
Bowne	0.36	10	86	15¾	15⅝	15¾	+⅛
Brascan A	1.04	17	5	13⅛	13⅛	13⅛	-⅛
Calprop		2	10	1⅛	1⅛	1⅛	-⅛
Cambrex	0.20	14	59	33½	33⅛	33⅛	+⅛
Can Marc	0.14	14	5	9	9	9	+¼
Cheniers A	*0.01*	*4*	*1079*	*5 11/16*	*5 7/16*	*5 11/16*	+⅛
Chambers		11	33	u5⅝	5 7/16	5⅝	+⅛
Champion		9	359	31⅝	30¾	31	-⅜
CircPh	0.04	30	289	23⅞	23½	23¾	-⅛
Cmtrl FdA	0.01		28	5	5	5	-1/16

NASDAQ NATIONAL MARKET

4 pm close April 24

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
ABG Inds	0.20	10	382	12	d11½	11½	-¼
ACC Corp	0.12	10	713	16¼	15¾	16	+¼
Acclaim E		12	2182	14⅛	13⅞	14⅛	+1/16
Acme Mtls		7	112	17⅜	16¾	17	+⅛
Acxiom Cp		25	246	17½	17	17	
Adaptech		23	12138	35¾	32¾	35¼	+2¼
ADC Tele		45	6563	32¾	31⅜	32½	+¾
Addington		23	1569	10⅝	10	10⅝	+¼
AdiaADR	0.16	10	8	22½	22½	22½	-1/16
Adobe Sys	0.20	113	6840	53½	51½	53½	+1¼
Advance C		10	933	13½	12⅝	13½	+½
Adv Logic		512	538	5⅛	4¾	5⅛	+⅜
Adv Polym		6	225	4⅜	4⅛	4 5/16	+3/16
AdvTchLab		18	92	16½	15¾	16½	+⅝
Advanta	0.27	12	635	34	33	33	-¼
AgnicoEa	0.10	43	50	12	11⅞	11⅞	+⅛
AirExpr	0.16	19	1046	25½	24½	24½	-½
Akzo ADR	1.76	15	650	57½	57⅛	57⅜	+⅞
AlxBld	0.86	13	2854	22½	21¾	21⅞	-⅛
Allegh &W		14	7	11⅝	11⅝	11⅝	
Allen Org	0.52	12	z100	41	41	41	
Allian Ph		3	2212	5½	4¾	5	-½
AlldCapII	1.00	11	174	14⅝	14⅛	14⅜	+¼
Alld Cap	0.80	10	30	11¾	11⅜	11⅜	-¼
Aloette C	0.32	2	42	2¼	2⅛	2⅛	
Alta Gold	0.06	54	148	1⅛	1 1/32	1 1/32	+1/32
Altera Co		74	12461	u76⅝	72	76¼	+3¼
Am Banker	0.72	10	2107	29⅞	28⅞	29⅝	+⅝
AmCIVoy	0.16	146	739	10¼	9⅞	10¼	+⅛
Am Cty Bu		25	z100	18¾	18¾	18¾	
Am Manag		23	1459	21⅛	19½	20¾	+1⅛
Am Med El		*4*	*418*	*6½*	*6⅛*	*6⅛*	-¼
Am Softwa	0.32	7	1267	u4¼	3⅞	4⅛	+⅛
Am Frwys		23	61	23¼	22⅞	23	-¼
AmGrtA	0.56	14	3602	28½	27⅞	28 5/16	+3/16
AmImP		1	4244	[illegible]	[illegible]	[illegible]	[illegible]
AmNtIn	2.36	7	249	u60¼	59¾	60¼	+⅛
AmPwrConv		20	23835	15¾	d14⅜	15⅝	+¾
Am Trav		10	180	18	17⅞	17⅞	
AmtedFin	0.24	14	244	23⅜	22¾	22⅞	-⅜
Amgen Inc		*28*	*5395*	*70*	*67⅞*	*68¼*	-½
Amtech Cp	0.08	13	584	7⅛	6⅞	6⅞	
Analogic		15	18	17¼	d16¾	17¼	
Analysts	0.52	17	19	26	25	25	
AncangelAm	1.00	16	100	13½	d13¼	13¼	-¼
Andrew Cp		41	1681	u49	47¾	48¼	
Andros An		74	1251	17¾	15½	17¼	+1⅛
Apogee En	0.32	30	25	17¾	17¼	17½	
APP Bio		56	377	5 15/16	5⅜	5 9/16	+1/16
Appld Mat		*20*	*14484*	*58¼*	*54 13/16*	*58*	+2⅝
AppleC	0.48	10	23746	39⅝	38½	39	-⅛
Applebees	0.05	34	1006	21½	20¾	21⅛	-⅛
Arbor Dr	0.30	24	206	23⅞	23¼	23⅞	+⅜
Arctco	0.24	11	943	14¾	14	14	-¾
Argonaut	1.16	10	98	30½	29¾	30¼	+¼

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Dell Comp		14	4568	49¾	48¾	49⅜	+⅜
Dntply	0.30	18	380	36	35½	35 13/16	-1/16
Dep Gty	1.12	9	59	35½	34½	34½	-1
Devcon	0.20	17	67	8	8	8	
DH Tech		16	259	25¾	24¾	25¾	-¼
Digi Intl		16	351	20¼	19½	20¼	+¼
Dig Micro		18	644	12	11½	11¾	
Dig Sound		19	1980	2½	2 7/16	2½	
Dig Syst		14	848	7	6⅝	7	+⅛
Dionex Cp		18	91	42	41¼	41¼	-¼
Dixie Yrn	0.20	24	28	5⅞	5¾	5⅞	-⅜
DNA Plant	2.25	2	680	2 7/16	2 5/16	2⅜	+1/16
Dollar Gn	0.20	23	38	25¼	25	25¼	+⅜
Dorch Htn	0.68	17	56	u12¼	d11½	12¼	
DrecoEngy		10	22	13¾	13¼	13¼	
DressBarn		13	380	10	9¾	10	+¼
Drey GD	0.24	421	1273	u30¼	28¼	29½	+¾
Drug Empo	0.08	10	44	4½	4¼	4¼	-¼
DS Bancor	1.09	12	67	24¾	23¾	23¾	-1
Duriron	0.48	24	3011	22½	21¾	21¾	-1¾
Dynatech		17	7348	18	16½	17¾	+1¾
			- E -				
Eagle Fd		1	204	2⅝	2¼	2½	-⅛
Easel Cp		2	170	2½	2 7/16	2 7/16	-1/16
EastEnvmt		4	70	⅞	d⅞	1	
ECI Tel	0.32	16	9227	u17	16	17	+1½
Egghead		114	576	9¼	8⅞	9⅛	+⅛
El PasoEl		1	153	1 7/16	1⅜	1 7/16	+1/16
ElectrSci		17	323	23½	22⅞	23	-⅜
ElectArts		18	6782	20¾	20⅜	20 7/16	-3/16
Emcon Ass		18	159	u4⅝	4⅜	4⅜	-⅛
Emulex		82	120	18⅜	17⅞	18¼	-⅛
EngyVntrs		37	z100	14	14	14	
Envir Svs		18	140	1½	1¼	1 5/16	+1/16
Enzon Inc		4	444	2 5/16	2⅛	2⅛	
EquityOil	0.10	125	76	3¾	3⅝	3¾	
EricsnB	*0.48*	*34*	*6219*	*64¼*	*63⅜*	*64*	+3/16
Ernst		94	46	6¾	6⅝	6⅝	-⅛
Evans Sth		26	427	16	15¼	15¼	-¾
Exabyte		8	5884	12⅝	12⅜	12½	
Excalibur		16	29	12	12	12	-¾
ExideElec		13	88	16¼	16	16	-½
Expedit I	0.10	20	480	22¾	22½	22½	
EzcorpAnv		*46*	*91*	*7¼*	*6¾*	*7*	-¼
			- F -				
Fail Grp		23	76	5½	5½	5½	
Farr Cp	0.24	36	96	7⅛	6½	6½	-⅝

AMERICA

Technology sector gains help Nasdaq

Wall Street

Strength in the technology sector helped the Nasdaq composite shake off uncertainty about the dollar and a slipping bond market, while blue chip issues retreated from record levels hit last week, *writes Lisa Bransten in New York.*

At 1 pm the Dow Jones Industrial Average was 3.46 lower at 4,266.63, while the more broadly based Standard & Poor's 500 firmed 0.86 to 509.35. The American Stock Exchange composite was up 0.95 at 473.05. The Nasdaq composite gained 2.95 at 826.39. Trading volume on the NYSE came to 171m shares.

The Dow was volatile within a narrow range for most of the morning. After falling more than 14 points in the first hour of trading it then bounced off its low and held within 10 points of Friday's close through to early afternoon. The S & P 500 was also volatile, although the index managed to push into positive territory by late morning.

One factor weighing on the market was today's meeting of central bankers and finance ministers from the Group of Seven industrial countries to discuss the state of the dollar. Traders held out little hope that the G7 nations would undertake a concerted move to bolster the value of the US currency.

The Nasdaq drew most of its strength from high-technology companies, many of which have benefited from the weaker dollar. The Pacific Coast technology index was up nearly 1.4 per cent by early afternoon as the Nasdaq gained 0.4 per cent.

Especially strong were the two largest companies on the Nasdaq, Microsoft and Intel, which jumped 2.5 per cent and 3.2 per cent respectively. Microsoft rose $1⅞ to $76⅞ and Intel gained $3 at $95⅞.

USX-US Steel dropped $1⅞ to $31⅝ after reporting first-quarter results well below analysts' expectations.

Before the market opened, the company announced earnings of 86 cents a share, versus the mean estimate of 98 cents a share.

Meanwhile, stronger than expected results gave only a slight boost to Du Pont, which gained $¼ at $64. The chemicals company reported first-quarter earnings of $1.40 a share, 17 cents a share more than the mean estimate from analysts. American Brands also edged higher after revealing first-quarter earnings of 58 cents a share, one cent higher than estimates. Shares in the company were $⅛ firmer at $38½.

Canada

Toronto turned higher at midday, supported by the strength in heavily weighted gold shares and a firmer Canadian dollar. The TSE-300 composite index rose 6.40 to 4,264.50 at noon in hefty volume of 32.6m shares.

The market was evenly split, with gold and precious metals leading gains in seven of the 14 sub-indices. Weak forestry, media and consumer product issues led declining groups.

Maple Leaf Foods plunged C$7 to C$6 as the market settled on a value for the shares following last week's successful merger bid led by the Wallace McCain family.

Mexico in 3% rise

Mexican equities rose sharply in early trade, helped by strong activity in the US where investors were starting to take the view that the worst of the country's financial problems were now over.

The IPC index was up 60.72 or 3 per cent at 1,980.14 by late morning.

In the US, Telmex was $⅞ higher at $30¼.

In SAO PAULO, the Bovespa index had risen 527 or 1.6 per cent to 34,369 by midday.

Investors were encouraged by reports that the government would announce measures this week aimed at slowing down the rate of economic growth.

CARACAS ended slightly higher in light trade. The Merinvest composite index added 0.03 at 90.88, assisted by a gain in Banco Mercantil of 6 bolivars at 287 bolivars.

EUROPE

Intraday swings as Paris reflects on Jospin win

Politics moved shares in Paris, where immediate reactions were revised later, but left them unmoved in Milan, *writes Our Markets Staff.*

PARIS reflected on the unexpected victory of Mr Lionel Jospin, the Socialist party candidate, in Sunday's first round of voting in the presidential elections. But after initially declining to a session's low of 1,902.60, the CAC-40 index stabilised, moved to a high of 1,930.71, and finally closed with a net loss of 9.86 at 1,918.51.

The view that emerged from strategists yesterday was that while Mr Chirac had not done as well in the first round as had been forecast, his victory remained the most likely scenario for the final round in two weeks' time. However, they added, the winning margin could well be slim: one analyst suggested that Mr Chirac might snatch the presidency by as little as 4 or 5 percentage points.

Mr Andrew Shepherd-Barron of Kleinwort Benson observed that while the franc was likely to come under intense pressure should Mr Chirac win, as currency dealers tested the new president's resolve, equities, short term, could be set for a renewed rally. Devaluation of the currency would lead to a UK-style growth spurt, he explained, while an acceleration of growth, which was already under way, was likely if the franc held its ground.

There was no comment from either Crédit Local de France or Paribas on rumours that they might join forces to create a new bank: the former rose FFr1.90 to FFr426.90 and the latter lost FFr7.50 at FFr300.40.

Euro Disney and Eurotunnel both suffered heavy selling, losing 65 centimes or 4.3 per cent to FFr14.35 and 50 centimes or 3 per cent to FFr15.95 respectively.

MILAN was unmoved by the weekend's regional elections, inconclusive and in line with expectations, with many investors absent ahead of a public holiday today.

The Comit index eased 4.16 to 617.27 as weekend news about rises in wholesale and producer prices after Friday's inflation data from Bologna rekindled worries about inflationary pressures and a possible Bank of Italy rate rise.

FT-SE Actuaries Share Indices

Apr 24 — THE EUROPEAN SERIES

Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1281.89	1281.96	1283.51	1284.44	1282.47	1280.04	1281.07	1281.06
FT-SE Eurotrack 200	1378.11	1381.38	1379.05	1380.91	1378.49	1376.60	1378.88	1380.95

	Apr 21	Apr 20	Apr 19	Apr 18	Apr 13
FT-SE Eurotrack 100	1286.45	1287.89	1282.20	1289.49	1291.88
FT-SE Eurotrack 200	1384.74	1372.02	1367.99	1372.93	1381.03

Base 1000 (29/10/90); Highlips: 100 - 1285.19; 200 - 1381.67 Lowlips: 100 - 1280.04 200 - 1376.04 † Partial

FRANKFURT featured a post-bourse surge in Schering after the German federal health authorities said that the multiple sclerosis drug deoxyspergualin (DSG) developed by the Hoechst subsidiary Behringwerke would not be approved.

Schering, marketing its Betaseron m/s drug in the US, rose DM11.20 to DM1,084 after hours. However, Mr Mark Tracey of Goldman Sachs, a long term bull of Schering's stock, said Goldman had never seen DSG as an m/s drug and that Schering yesterday was moving on sentiment rather than fundamentals.

The Ibis indicated Dax index ended 8.73 lower at 1,978.97 after a session close of 1,976.21. Turnover fell from DM5.8bn to DM5bn as key cyclicals were marked down, and retailers gained more ground.

AMSTERDAM's AEX index finished with a rise of 0.19 at 408.61. Turnover remained weak.

Philips was firmly supported ahead of tomorrow's first-quarter earnings report, adding 60 cents at Fl 56.00. Prospects of good earnings also helped Akzo Nobel to a gain of Fl 1.60 at Fl 181.00: the chemicals group reports on Thursday. Ballast Nedam rose Fl 2.90 to Fl 71.60 after reporting that it had recently won orders worth Fl 650m.

ZURICH was closed for a local holiday, but the SMI index declined 6.0 to 2,554.8, reflecting the effect of the weaker dollar on trade in Basle and Geneva.

Holvis was suspended after a public offer of SFr435 a share from International Paper, described by the Swiss group as unsolicited and unfriendly. The shares had added SFr20 at SFr350 on Friday.

STOCKHOLM picked up 0.8 per cent as the market responded to better than expected first-quarter results from SSAB, the steel manufacturer, and advances in the forestry sector, cheered by the bid for Holvis. The Affärsvärlden index gained 11.50 at 1,527.00.

Mr François Langlade-Demoyen at CS First Boston, who upgraded his recommendation on the market to overweight from underweight, noted stronger than expected growth in the economy, led by exports and surging investment. Today's supplementary budget, he added, appeared to be heading in the right direction to reduce the budget deficit.

SSAB rose SKr15 to SKr235 after the first-quarter results prompted upgrades in earnings forecasts from some analysts. Avesta Sheffield put on SKr2.50 at SKr75.50 and Trelleborg B picked up SKr2 to SKr89.50.

HELSINKI's forestry stocks were lifted by last week's profits gains from Kymmene, a positive sector recommendation from Merrill Lynch and the International Paper bid for Holvis. The sector rose by 3.4 per cent as the Hex index closed 30.2 or 1.8 per cent higher at 1,711.5; Repola put on FM2.10 to FM80.60 and Kymmene itself FM6 to FM125.

ISTANBUL broke its bull run and dropped 9.1 per cent after a rise of 116.6 per cent since the end of January, the composite index dropping 4,977.74 to 49,676.19. Traders were influenced by a statement from the privatisation agency OIB, which plans to sell shares of eight partially owned state companies on the exchange floor in the next six months.

WARSAW corrected from Friday's mild bout of profit-taking to climb to a new year's high. The Wig index gained 547.6 or 6.5 per cent at 8,941.6, although turnover fell 19 per cent to 109m zlotys.

Written and edited by William Cochrane, Michael Morgan and John Pitt

ASIA PACIFIC

G7 inhibits Nikkei as Seoul falls to 12-month low

Tokyo

Fears of further gains in the yen hit share prices ahead of today's meeting of finance ministers and central bankers of the Group of Seven industrial countries, and the Nikkei 225 average lost ground for the first time in four trading days, *writes Emiko Terazono in Tokyo.*

The index was off 164.19 at 16,804.05 after moving between 16,779.10 and 16,981.07. Selling of small lots weighed on investor confidence, and there was profit-taking following the 4.6 per cent rise during the past three days.

Volume fell from 353m to 300m shares, reflecting caution over the G7 finance ministers' meeting. Some investors hoped that a solution for the currency market volatility would materialise, but the lack of a concrete initiative could trigger dollar selling, said traders.

The Topix index of all first section stocks slipped 12.07 to 1,329.28 and the Nikkei 300 lost 2.85 at 245.75. Declines led gains by 623 to 381, with 173 issues unchanged. In London the ISE/Nikkei 50 index eased 0.09 to 1,096.06.

Nippon Paper Industries, a beneficiary of the strong yen due to its reliance on imported raw materials, rose Y2 to Y673. According to Barclays de Zoete Wedd, imported raw materials account for 60.2 per cent of the pulp and paper industry's production costs and exports account for only 3.3 per cent of total sales.

However, electric utilities, which also stand to gain from the yen's appreciation, declined following last week's rally on their high dividend yields, relative to interest rates. Profit-taking left Tokyo Electric Power Y20 cheaper at Y2,760.

Speculative trading supported Tosoh, the most actively traded stock, which rose Y6 to Y441. The chemical maker, which had developed an Aids drug, met heavy selling recently following the company's announcement that the drug's commercial application was a long term goal. However, individuals and dealers supported the issue yesterday on short term trading.

Large-capital steels, which were bought last week, receded on profit-taking by domestic institutions. Nippon Steel fell Y10 to Y336 and Sumitomo Metal Industries Y3 to Y283.

In Osaka, the OSE average declined 47.77 to 18,337.01 in volume of 12.4m shares, losing ground for the first time in four days due to falls in high-technology stocks.

Shima Seiki, the machinery maker, shed Y160 to Y4,450. Aoyama Trading, the men's suit retailer, dipped Y110 to Y1,720 on profit-taking by overseas investors.

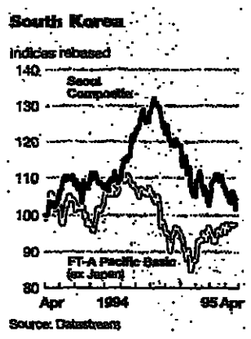
Roundup

A weak trend was in evidence in much of the region.

SEOUL was subjected to a selling spree in extremely thin trade, the composite stock index losing 14.95 or 1.7 per cent at a 12-month low of 876.89. Worries that the government would tighten monetary policy to combat inflation continued to pressure sentiment, while recent sharp falls among primary blue chips also represented a correction after earlier rises.

Samsung Electronics lost Won4,000 at Won122,500 and Hyundai Motor was down Won1,900 at Won47,200.

KUALA LUMPUR, after an early rise, eased on profit-taking ahead of today's national holiday and polling in the general election, leaving the composite index 2.79 off at 975.05.



Intiplus, the finance services group, gained 16 cents at M$2.17 in the market's heaviest volume of 15.7m shares, on speculative trading after its Friday listing. Repco Holdings retreated 40 cents to M$10.70 on profit-taking after a recent run-up.

SINGAPORE finished mixed with properties in retreat but marine stocks firm on selective buying from foreign institutions. The Straits Times Industrial index put on 6.05 at 2,085.55.

HONG KONG was weaker but off its lows, the Hang Seng index easing 19.84 to 8,625.55, as turnover dipped from HK$2.4bn to HK$2.1bn. Reports that Deng Xiaoping's children had cancelled trips to stay at home again raised concerns over the 90-year-old leader's health. HSBC, the most active issue, ended 25 cents firmer at HK$91.50.

SHANGHAI's hard currency B shares were sharply lower for the sixth consecutive session on overseas selling of blue chip Pudong issues. The B index lost 0.961 or 1.8 per cent at 51.900 on continuing disappointment that Beijing had not announced preferential policies on the fifth anniversary of the Pudong New Area last week, and there were renewed worries about Deng's health.

SYDNEY showed little change ahead of today's public holiday, Thursday's inflation figures which analysts expected to show a year-on-year deterioration, and the Federal budget due to be released next week. The All Ordinaries index eased 1.8 to 1,999.1. Turnover was A$380.7m. Goodman Fielder lost a cent at A$1.23 after forecasting a 10 per cent decline in operating profit.

WELLINGTON reversed its early losses to close slightly higher ahead of today's Anzac holiday. The NZSE-40 Capital index moved ahead 4.09 to 2,120.10 in turnover of NZ$50m.

Lion Nathan advanced 9 cents to NZ$3.23 ahead of interim results due tomorrow.

TAIPEI retreated on a sell-off in the financial sector. The weighted index shed 24.07 to 5,963.86 in T$34.5bn turnover.

The financial sector sub-index fell 2 per cent, with the major banks, Chang Hwa, First Commercial and Hua Nan, all setting 1995 lows, each dropping T$3.50 to T$109.50, T$110 and T$113 respectively.

However, electronics provided some support, with Macronix rising by the 7 per cent daily limit to T$74.50.

MANILA saw profit-taking bring the composite index off the session's high but leave it still in positive teritory, gaining 10.15 at 2,512.63. Turnover slipped to 786.4m pesos.

BOMBAY encountered selling pressure from local mutual funds which, combined with a lack of buying interest on a dull day, pulled the BSE-30 index down 53.79 or 1.6 per cent to 3,309.00.

MARKETS IN PERSPECTIVE

	% change in local currency †				% change sterling †	% change in US $ †
	1 Week	4 Weeks	1 Year	Start of 1995	Start of 1995	Start of 1995
Austria	+0.31	-0.27	-13.52	-8.53	+0.32	+3.01
Belgium	+1.44	+7.72	-5.05	+2.08	+11.49	+14.49
Denmark	+1.34	+0.34	-12.68	-5.38	+3.02	+5.78
Finland	+2.17	+6.59	+0.99	-8.90	-1.82	+0.81
France	+1.91	+5.55	-7.48	+3.00	+9.63	+12.57
Germany	-0.40	+3.06	-12.01	-6.75	+2.25	+5.00
Ireland	-0.45	+2.99	+4.55	+1.72	+4.71	+7.52
Italy	+1.35	+4.82	-16.02	-0.27	-8.48	-6.03
Netherlands	+0.52	+2.99	-2.27	-1.07	+8.39	+11.29
Norway	+1.80	+6.34	-2.35	-4.81	+0.90	+3.60
Spain	-0.38	+3.81	-10.57	-3.64	-0.10	+2.58
Sweden	-0.19	+4.13	+8.30	+4.27	+1.83	+4.56
Switzerland	+0.03	+1.01	-7.66	-2.74	+8.93	+11.85
UK	-0.24	+1.57	+1.59	+4.08	+4.08	+6.87
EUROPE	+0.30	+2.92	-4.58	+0.38	+4.47	+7.27
Australia	-1.18	+5.28	+0.57	+4.63	-3.69	-1.11
Hong Kong	-0.31	+0.78	-8.03	+6.49	+2.79	+5.54
Japan	+4.35	+8.72	-15.85	-13.68	+1.16	+3.87
Malaysia	+0.82	+1.25	-6.53	-1.02	-0.18	+2.49
New Zealand	+1.05	+10.16	+8.14	+11.86	+14.36	+17.44
Singapore	+1.45	+3.66	-1.02	-5.16	-3.50	-0.91
Canada	-1.19	-2.15	+5.46	+1.70	+1.58	+4.30
USA	-0.09	+1.57	+13.63	+10.74	+7.85	+10.74
Mexico	+4.47	+8.58	+3.22	-15.47	-32.60	-30.79
South Africa	+1.56	+4.63	+6.63	-8.20	+0.89	+3.59
WORLD INDEX	+1.34	+3.97	-1.69	-0.54	+3.91	+6.70

† Based on April 21, 1995.

S Africa posts steady gains

Johannesburg posted steady gains in response to Friday's performance on Wall Street and a mildly higher gold price, although low volumes indicated concern about the outlook for bullion.

The overall index was 19.5 ahead at 5,434.4 and industrials added 28.0 at 6,733.4. Golds edged up 7.1 to 1,491.7.

Richemont, the Swiss-based luxury goods and tobacco group, eased 15 cents to R40 following its bid to buy out the minority shareholders' stake in Rembrandt International.

Sappi, the paper and pulp producer, closed at a record R75.50, up R1.50 or 2 per cent, benefiting from sharply higher earnings forecasts.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of stock	FRIDAY APRIL 21 1995 US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	THURSDAY APRIL 20 1995 US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX 52 week High	52 week Low	Year ago (approx)
Australia (83)	169.74	-1.5	156.65	88.96	121.48	153.96	-1.4	3.93	172.28	158.41	90.02	122.74	156.16	180.82	157.95	184.03
Austria (27)	188.24	0.0	173.73	98.66	134.72	134.63	0.5	1.28	188.18	173.03	98.33	134.07	133.96	198.89	167.46	177.58
Belgium (35)	192.83	0.5	177.96	101.06	138.00	134.96	1.2	3.90	191.89	176.45	100.27	136.71	133.34	192.90	161.68	165.91
Brazil (28)	121.63	0.2	112.26	63.75	87.05	204.97	-0.0	1.56	121.37	111.60	63.42	86.47	204.97	–	–	–
Canada (103)	134.98	0.4	124.56	70.74	96.59	133.67	0.2	2.82	134.44	123.62	70.25	95.78	133.43	140.26	120.54	126.57
Denmark (33)	266.36	-0.2	245.83	139.60	190.63	197.18	0.6	1.61	266.87	245.39	139.45	190.13	196.00	275.27	236.61	250.73
Finland (24)	187.47	1.6	173.02	98.26	134.17	168.51	1.8	1.42	184.54	169.69	96.43	131.48	165.41	201.41	133.88	145.26
France (101)	184.11	1.5	169.91	96.49	131.76	141.02	2.1	3.07	181.36	166.76	94.77	129.21	138.13	185.25	157.79	167.99
Germany (69)	150.47	0.9	138.87	78.86	107.68	107.88	1.0	2.16	149.59	137.55	78.17	106.58	106.59	164.61	132.08	139.43
Hong Kong (55)	344.22	0.0	317.68	180.41	246.35	341.73	0.0	3.98	344.16	316.48	179.84	245.20	341.60	416.42	277.40	366.57
Ireland (16)	221.74	-0.2	204.64	116.22	158.70	191.40	0.2	3.63	222.22	204.33	116.12	158.32	190.97	224.32	180.67	188.56
Italy (58)	70.75	0.7	65.30	37.08	50.64	90.97	0.1	1.98	70.30	64.64	36.73	50.08	90.86	97.78	65.45	89.63
Japan (483)	163.02	1.3	150.45	85.44	116.67	85.44	1.6	0.89	160.99	148.03	84.12	114.70	84.12	170.10	136.95	155.13
Malaysia (97)	491.33	2.0	453.46	257.52	351.64	466.64	1.8	1.72	481.54	442.78	251.62	343.08	458.45	564.76	386.16	482.07
Mexico (18)	980.09	6.0	904.53	513.68	701.42	6445.54	4.2	1.68	924.86	850.42	483.26	658.93	6183.55	2414.12	847.81	1698.28
Netherland (19)	241.37	0.1	222.77	126.51	172.75	189.93	0.7	3.71	241.21	221.79	126.04	171.86	188.71	242.31	194.56	200.77
New Zealand (14)	82.74	-0.4	76.36	43.37	59.22	65.37	-0.5	4.48	83.10	76.41	43.42	59.21	65.72	83.10	63.45	64.56
Norway (33)	220.85	0.9	203.83	115.75	158.06	186.29	1.5	2.27	218.88	201.28	114.37	155.94	183.50	220.85	177.53	191.87
Singapore (44)	369.64	1.8	341.15	193.74	264.55	237.71	1.7	1.81	363.14	333.91	189.75	258.72	233.76	401.38	313.94	334.17
South Africa (59)	348.81	-0.3	321.92	182.82	249.63	275.31	-0.1	2.48	350.01	321.83	182.89	249.36	275.58	353.13	240.09	240.09
Spain (38)	135.36	0.4	124.93	70.95	96.88	126.60	0.6	4.48	134.79	123.94	70.43	96.03	126.08	150.21	124.10	136.14
Sweden (46)	241.66	0.2	223.03	126.66	172.95	265.21	0.5	2.17	241.23	221.82	126.05	171.87	263.96	249.14	198.70	209.82
Switzerland (47)	184.76	0.1	170.52	96.84	132.23	130.35	0.6	1.93	184.64	169.77	96.48	131.55	129.59	186.09	149.91	158.94
Thailand (46)	137.99	2.0	127.35	72.32	98.75	131.47	2.0	3.23	135.34	124.44	70.72	96.42	128.85	–	–	–
United Kingdom (203)	208.22	0.4	192.17	109.13	149.02	192.17	0.8	4.27	207.42	190.72	108.39	147.78	190.72	209.92	181.11	191.00
USA (510)	207.92	0.6	191.89	108.98	148.81	207.92	0.6	2.74	206.70	190.06	108.01	147.26	206.70	208.11	179.72	182.96
Americas (659)	190.51	0.6	175.83	99.85	136.35	159.75	0.6	2.72	189.32	174.08	98.93	134.86	158.79	–	–	–
Europe (741)	181.25	0.5	167.27	94.99	129.71	151.19	0.9	3.24	180.30	165.78	94.21	128.45	149.79	182.33	160.58	166.81
Nordic (138)	234.18	0.4	216.11	122.73	167.58	209.79	0.8	1.96	233.21	214.44	121.86	166.15	208.05	237.38	197.70	202.75
Pacific Basin (822)	170.19	1.1	157.07	89.20	121.80	95.67	1.4	1.25	168.34	154.79	87.95	119.94	94.39	178.86	145.93	163.12
Euro-Pacific (1563)	174.70	0.8	161.23	91.56	125.03	116.93	1.2	2.11	173.22	159.28	90.51	123.41	115.57	175.14	154.73	164.51
North America (613)	203.40	0.6	187.72	106.61	145.57	202.90	0.6	2.74	202.22	185.94	105.67	144.07	201.74	203.68	176.47	178.48
Europe Ex. UK (538)	162.71	0.6	150.16	85.28	116.45	128.25	1.0	2.86	161.73	148.71	84.51	115.22	126.83	163.48	144.12	150.03
Pacific Ex. Japan (339)	243.16	0.2	224.41	127.44	174.03	213.08	0.2	3.28	242.66	223.13	126.80	172.89	212.71	273.13	211.19	242.03
World Ex. US (1771)	174.93	0.8	161.44	91.68	125.19	120.24	1.1	2.12	173.47	159.51	90.65	123.59	119.99	178.65	155.42	164.96
World Ex. UK (2078)	182.37	0.8	168.31	95.58	130.52	141.49	1.0	2.14	180.94	166.36	94.55	128.91	140.15	182.37	163.46	167.91
World Ex. Japan (1798)	198.16	0.5	182.89	103.86	141.82	183.79	0.7	2.95	197.10	181.23	102.99	140.42	182.55	198.16	178.74	179.86
The World Index (2281)	184.66	0.8	170.42	96.78	132.15	145.94	0.9	2.34	183.28	168.53	95.77	130.58	144.58	184.66	165.82	169.96

Constituent changes 24/4/95: Name changes: Nokia (Ord.) and Nokia (Pref.) to Nokia K and Nokia A respectively (Finland). Latest prices were unavailable for this edition. Market closed 21/4/95: Brazil.